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Vol. IX

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TRANSCRIPT OF RECORD ON CROSS APPEAL

Supreme Court of the United States

OCTOBER TERM, 1933

No. 440

BENJAMIN F. LINDHEIMER AND OTHERS, CONSTITUTING THE ILLINOIS COMMERCE COMMISSION OF THE STATE OF ILLINOIS; OTTO KERNER, ATTORNEY GENERAL OF THE STATE OF ILLINOIS, AND THE CITY OF CHICAGO, APPELLANTS,

vs.

ILLINOIS BELL TELEPHONE COMPANY

No. 548

ILLINOIS BELL TELEPHONE COMPANY, APPELLANT,

vs.

BENJAMIN F. LINDHEIMER AND OTHERS, CONSTITUTING THE ILLINOIS COMMERCE COMMISSION OF THE STATE OF ILLINOIS; OTTO KERNER, ATTORNEY GENERAL OF THE STATE OF ILLINOIS, AND THE CITY OF CHICAGO

APPEALS FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS

FILED SEPTEMBER 8, 1933

FILED OCTOBER 25, 1933

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1933

No. 440

BENJAMIN F. LINDHEIMER AND OTHERS, CONSTITUTING THE ILLINOIS COMMERCE COMMISSION OF THE STATE OF ILLINOIS; OTTO KERNER, ATTORNEY GENERAL OF THE STATE OF ILLINOIS, AND THE CITY OF CHICAGO, APPELLANTS,

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APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS

VOL. IX

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[fol. 5837]

IN UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

In Equity. No. 3746

ILLINOIS BELL TELEPHONE COMPANY, Plaintiff,

vs.

BENJAMIN F. LINDHEIMER, ERNEST J. KRUETGEN, ANDREW OLSON, G. Gale Gilbert, Phil W. Collins, Paul Samuell, Charles E. Byrne, the Persons Constituting the Illinois Commerce Commission of the State of Illinois, and Otto Kerner, Attorney General of the State of Illinois, Defendants, and City of Chicago, a Municipal Corporation, Intervenor

PETITION FOR APPEAL—Filed Sept. 26, 1933

To the Honorable Evan A. Evans and William M. Sparks, Circuit Judges for the Seventh Circuit, and the Honorable James H. Wilkerson, District Judge for said District, constituting a special statutory court pursuant to the provisions of Section 266 of the Judicial Code:

Comes now Illinois Bell Telephone Company, plaintiff, and hereby appeals to the Supreme Court of the United States from the final judgment and decree made and entered herein on the 28th day of June, 1933, because of errors prejudicial to plaintiff which are set forth in the assignment of errors presented and filed herewith.

Your petitioner respectfully prays that said appeal be allowed for the reversal and correction of the errors so complained of, that citation be issued as provided by law, [fols. 5838 & 5839] and that a transcript of the record, duly authenticated, be sent to the Supreme Court of the United States, in accordance with the rules of that Court.

Dated Chicago, Illinois, September 26, 1933.

Charles M. Bracelen, William H. Thompson, Edward L. Blackman, Kenneth F. Burgess, Leslie N. Jones, Solicitors for Plaintiff.

[fol. 5840] IN UNITED STATES DISTRICT COURT

[Title omitted]

PLAINTIFF'S ASSIGNMENT OF ERRORS—Filed Sept. 26, 1933

Comes now the Illinois Bell Telephone Company, plaintiff herein, and files the following assignment of errors upon which it will rely in the prosecution of the appeal herewith petitioned for in said cause.

1. In finding that the fair value of all of plaintiff's property in the Chicago area, including working cash capital, materials and supplies, construction work in progress, and going value, as an average amount during each of the years 1923 to 1932, inclusive, was the amount for each year found and specifically set out in Finding of Fact No. 1, the Court erred in each of the following respects, among others:

(a) By deducting from the amounts found by the Court for reproduction cost new for each of the years 1923 to 1928, inclusive, 16% of each of said amounts for alleged depreciation [fol. 5841] of plaintiff's property and by deducting 15% for each of the succeeding years (Finding of Fact No. 6), which said deductions were excessive and approximately twice the amount which should have been deducted. (See Assignment of Error 7.)

(b) By restricting the amount allowed for going value to 8% of the reproduction cost new of the physical property of the plaintiff (Finding of Fact No. 7), which amount is inadequate and only approximately one-half of the amount which should have been allowed for the going value element of the property. (See Assignment of Error 8.)

(c) By failing and refusing to give any effect to price increases of telephone material which took place in 1930 and which continued through 1931 and 1932.

(d) By otherwise undervaluing the property of the plaintiff, particularly in the years 1930, 1931 and 1932.

2. In finding that the fair value of plaintiff's said Chicago area property used and useful in its entire intrastate business, as an average amount during each of the years 1923 to 1932 inclusive, was the amount for each year found and specifically set out in Finding of Fact No. 2, the Court

erred in each of the respects alleged in Assignment of Error 1.

3. In finding that the fair value of plaintiff's said Chicago area property used and useful in its intrastate toll business, as an average amount during each of the years 1923 to 1932 inclusive, was the amount for each year found and specifically set out in Finding of Fact No. 3, the Court erred in each of the respects alleged in Assignment of Error 1.

[fol. 5842] 4. The Court erred in finding that the fair value of all of plaintiff's property in the Chicago area, including working cash capital, material and supplies, construction work in progress and going value, as an average amount during the years 1923 to 1932, inclusive, was as follows for each of said years: 1923, $130,000,000; 1924, $143,000,000; 1925, $157,000,000; 1926, $161,000,000; 1927, $178,000,000; 1928, $186,000,000; 1929, $200,000,000; 1930, $205,000,000; 1931, $197,500,000; 1932, $185,000,000. (Finding of Fact No. 1.)

The Court erred in said finding for each of said years. (See assignment 1.)

5. The Court erred in finding that the fair value of plaintiff's Chicago area property used and useful in its entire intrastate business, as an average amount during each of the years 1923 to 1932, inclusive, was as follows for each of said years: 1923, $124,200,000; 1924, $136,500,000; 1925, $148,500,000; 1926, $151,500,000; 1927, $167,000,000; 1928, $173,000,000; 1929, $184,000,000; 1930, $187,120,000; 1931, $179,100,000; 1932 $166,500,000. (Finding of Fact No. 2.)

The Court erred in said finding for each of said years. (See assignment 2.)

6. The Court erred in finding that the fair value of plaintiff's Chicago area property, used and useful in its intrastate toll business, as an average amount during each of the years 1923 to 1932, inclusive, was as follows for each of said years: 1923, $5,515,000; 1924, $6,250,000; 1925, $7,200,000; 1926, $7,800,000; 1927, $9,300,000; 1928, $10,500,000; 1929, $12,600,000; 1930, $13,850,000; 1931, $13,600,000; 1932, $13,100,000. (Finding of Fact No. 3.)

The Court erred in said finding for each of said years. (See assignment 3.)

[fol. 5843] 7. The Court erred in finding that the fair rate or percentage of depreciation to be applied to the reproduction cost new of plaintiff's property in determining the valuations thereof for rate-making purposes was 16 per cent for the years 1923 to 1928, inclusive, and 15 per cent for the succeeding years (Finding of Fact No. 6).

The Court erred in said finding for each year.

8. The Court erred in finding that the amount to be added on account of going value to the reproduction cost new of the physical property of the plaintiff in determining the value of its property for rate-making purposes was 8 per cent thereof and in failing to find that the proper amount was 15 per cent (Finding of Fact No. 7).

9. In finding that the reasonable operating expenses of plaintiff, including expense of depreciation, for the intrastate portion of its Chicago area business for each of the years 1923 to 1931, both inclusive, were the amounts found and specifically set out in Finding of Fact No. 10, the Court erred in each of the following respects, among others:

(a) By restricting the amount included in said expenses for the annual charge for depreciation applicable to the intrastate portion of plaintiff's Chicago area property to the following amounts in the following years:

1923	$4,000,000
1924	4,250,000
1925	4,750,000
1926	5,400,000
1927	6,000,000
1928	6,650,000
1929	7,000,000
1930	7,200,000
1931	7,400,000

(Finding No. 26), said amounts being less than the amounts established by the evidence by more than $1,500,000 in each year (See Assignment of Error 16).

[fol. 5844] (b) By restricting the amounts included in said expenses for the expense of the services rendered to the plaintiff by the American Telephone and Telegraph

Company under its license contracts to the following amounts in the following years:

1923	$1,088,195
1924	1,156,046
1925	1,369,836
1926	1,412,867
1927	1,422,869
1928	1,005,063
1929	834,276
1930	864,131
1931	834,199

(Finding of Fact Nos. 22, 23, 24 and 25), said amounts in each year being either the cost of the services to the American Company, as found by the Court, or the payment therefor, whichever is less.

(c) By disallowing in part the expenses actually incurred by plaintiff, and represented by its purchases from the Western Electric Company made in November and December, 1930, and the whole of the years 1931 and 1932, of materials attributable to maintenance and other expense accounts, this being due to the Court's erroneous finding that a 10% increase in prices by the Western Electric was not proper (Finding of Fact No. 21).

10. In finding that the portions of the plaintiff's operating expenses which are allocated or should be allocated to its intrastate toll business for each of the years 1923 to 1931, inclusive, are the amounts found and specifically set out in Finding of Fact No. 11, the Court erred in each of the respects alleged in Assignment of Error 9.

11. The Court erred in finding that the reasonable operating expenses of the plaintiff, including expense of depreciation for the intrastate portion of its said Chicago area [fol. 5845] business for each of the years 1923 to 1931, inclusive, are the following amounts: 1923, $30,500,000; 1924, $32,170,000; 1925, $34,680,000; 1926, $37,880,000; 1927, $40,800,000; 1928, $45,050,000; 1929, $47,600,000; 1930, $48,560,000; 1931, $46,670,000 (Finding of Fact No. 10).

The Court erred in said finding for each year.

(See assignment 9.)

12. The Court erred in finding that the portions of plaintiff's said operating expenses which are allocated or should be allocated to its intrastate toll business for each of the years 1923 to 1931, inclusive, are the following amounts: 1923, $1,750,000; 1924, $1,875,000; 1925, $2,110,000; 1926, $2,570,000; 1927, $2,820,000; 1928, $3,480,000; 1929, $4,020,000; 1930, $4,133,000; 1931, $4,200,000. (Finding of Fact No. 11).

The Court erred in said finding for each year.

(See assignment 10.)

13. The Court erred in finding that in determining the reasonable operating expenses to be allowed to plaintiff after November 1, 1930, there should be a reduction of 10% from the prices charged by Western Electric Company on purchases made by plaintiff attributable to maintenance and other expense accounts, and in making this deduction in determining the amounts allowed in its findings of plaintiff's operating expenses (Finding of Fact No. 21).

14. The Court erred in finding that the amounts of the cost of the services rendered by the American Company to plaintiff under the license contracts which should be allocated to the operating expenses of the intrastate business of plaintiff for each of the years 1923 to 1931, inclusive, are as follows: 1923, $1,088,195; 1924, $1,156,046; 1925, $1,369,836; 1926, $1,412,867; 1927, $1,422,869; 1928, $1,005,063; 1929, $1,040,529; 1930, $1,191,882; 1931, $1,068,303 (Finding of Fact No. 22).

[fol. 5846] The Court erred in said finding for each year.

15. The Court erred in finding that, in determining plaintiff's reasonable operating expenses, the amounts to be charged on account of the license agreement for the years 1923 to 1928, inclusive, are the amounts found by it in its Finding No. 22 as the cost of the services for each of those years, and in finding that the amounts so to be charged for the years 1929 to 1931, inclusive, are the amounts found by the Court in its Finding No. 23 as charged on the books of the Company for each of those years.

The Court erred both in finding, for the years 1923 to 1928, that the amounts to be included in plaintiff's reasonable operating expenses for this item of expense were restricted to the costs to the American Company of the serv-

iees rendered, and in finding the amount of said costs for each of those years. The Court also erred in finding that, for the years 1929 to 1931, the amounts which should be included in plaintiff's reasonable operating expenses for this item of expense were restricted to the amounts paid to the American Company as found in Finding No. 23.

16. The Court erred in finding that the reasonable and proper amount to be allowed as the annual charge for depreciation applicable to the intrastate portion of plaintiff's said Chicago area property for each of the years 1923 to 1931, inclusive, was as follows: 1923, $4,000,000; 1924, $4,250,000; 1925, $4,750,000; 1926, $5,400,000; 1927, $6,000,000; 1928, $6,650,000; 1929, $7,000,000; 1930, $7,200,000; 1931, $7,400,000 (Finding of Fact No. 26).

The Court erred in said finding for each year.

17. In finding the amount of the net income of the plaintiff available for return from that portion of its property used and useful in its intrastate business in its Chicago area for each of the years 1923 to 1932, inclusive, as found [fol. 5847] in Finding of Fact No. 27, the Court erred by overstating said net income by reason of disallowing a part of plaintiff's reasonable operating expenses in each of said years, as more particularly shown in Assignment of Error 9.

18. In finding the amount of the net income of the plaintiff available for return from that portion of its property used and useful in its intrastate business in its Chicago area under the rates fixed by the Illinois Commerce Commission by its order of August 16, 1923, effective October 1, 1923, for each of the years 1923 to 1932, inclusive, as found in Finding of Fact No. 30, the Court erred by overstating said net income by reason of disallowing a part of its reasonable operating expenses in each of said years, as more particularly shown in Assignment of Error 9.

19. The Court erred in finding that the net income available for return from that portion of plaintiff's property used and useful in its intrastate business in its Chicago area for each of the years 1923 to 1932, inclusive, was as follows: 1923, $6,646,183; 1924, $7,483,954; 1925, $7,880,451; 1926, $8,052,698; 1927, $8,363,580; 1928, $8,627,760; 1929,

$10,679,602; 1930, $10,138,263; 1931, $9,826,299; 1932, $8,000,000 (Finding of Fact No. 27).

The Court erred in said finding for each year.

20. The Court erred in finding that the net income available for return from that portion of plaintiff's property used and useful in its intrastate business in its Chicago area under the rates fixed by the Illinois Commerce Commission by its order of August 16, 1923, effective October 1, 1923, for each of the years 1923 to 1932, inclusive, was as follows: 1923, $5,104,515; 1924, $5,932,959; 1925, $6,297,890; [fol. 5848] 1926, $6,402,128; 1927, $6,686,503; 1928, $6,914,459; 1929, $8,939,602; 1930, $8,492,385; 1931, $8,392,555; 1932, $6,750,000 (Finding of Fact No. 30).

The Court erred in said finding for each year.

21. The Court erred in finding that the fair rate of return was 6½% for the year 1931 and 5½% for the year 1932 (Finding of Fact No. 32).

22. In finding the percentages which the plaintiff had earned upon the fair value of its intrastate property for each of the years 1923 to 1932, inclusive, as found in Finding of Fact No. 33, the Court erred by overstating the said percentages in each of said years. The error and overstatement are due to the Court's understatement of the fair value of the plaintiff's intrastate property in Finding of Fact No. 2, and to the Court's understatement of the plaintiff's reasonable operating expenses in Finding of Fact No. 10.

23. In finding the rates of return which the plaintiff would have received upon the fair value of its intrastate property in each of the years 1923 to 1932, inclusive, if the rates in suit had been in effect in each of said years, as found in Finding of Fact No. 34, the Court erred by overstating said rates of return in each of said years. The error and overstatement are due to the Court's understatement of the fair value of the plaintiff's intrastate property in Finding of Fact No. 2, and to the Court's understatement of the plaintiff's reasonable operating expenses in Finding of Fact No. 10.

24. The Court erred in finding that plaintiff has earned upon the fair value of its intrastate property for each of the years 1923 to 1932, inclusive, a return in percentages

as follows: 1923, 5.4% ; 1924, 5.5% ; 1925, 5.3% ; 1926, 5.3% ; [fols. 5849-5851] 1927, 5.0% ; 1928, 5.0% ; 1929, 5.8% ; 1930, 5.3% ; 1931, 5.5% ; 1932, 4.8% (Finding of Fact No. 33).

The Court erred in said finding for each year.

The Court erred in finding that, if the rates in suit had been in effect, plaintiff would have received upon the fair value of its intrastate property rates of return for each of the years 1923 to 1932, inclusive, in percentages as follows: 1923, 4.1% ; 1924, 4.4% ; 1925, 4.2% ; 1926, 4.2% ; 1927, 4.0% ; 1928, 4.0% ; 1929, 4.9% ; 1930, 4.5% ; 1931, 4.7% ; 1932, 4.1% (Finding of Fact No. 34).

The Court erred in said finding for each year.

Wherefore the plaintiff, Illinois Bell Telephone Company, prays that the judgment and decree of the Court in so far as it determines the matters above set forth be reversed and that the said errors be corrected.

Dated Chicago, Illinois, September 26, 1933.

Charles M. Bracelen, William H. Thompson, Edward L. Blackman, Kenneth F. Burgess, Leslie N. Jones, Solicitors for Plaintiff.

[fols. 5852 & 5853] In United States District Court for the Northern District of Illinois, Eastern Division

In Equity. No. 3746

Illinois Bell Telephone Company, Plaintiff,

vs.

Benjamin F. Lindheimer, Ernest J. Kruetgen, Andrew Olson, G. Gale Gilbert, Phil W. Collins, Paul Samuell, Charles E. Byrne, the Persons Constituting the Illinois Commerce Commission of the State of Illinois, and Otto Kerner, Attorney General of the State of Illinois, Defendants, and City of Chicago, a Municipal Corporation, Intervenor

Order Allowing Appeal—Sept. 26, 1933

Upon the petition of plaintiff, Illinois Bell Telephone Company, for the allowance of an appeal to the Supreme Court of the United States from the decree entered herein

on June 28, 1933, assignment of errors and statement of the basis of jurisdiction of the Supreme Court being presented and filed therewith:

Ordered, that said appeal be, and the same is, hereby allowed, as prayed.

It is further ordered that bond on appeal, to be approved by the Court, is fixed at the sum of One Thousand ($1,000.00) dollars.

Will M. Sparks, Circuit Judge. James H. Wilkerson, District Judge.

[fols. 5854-5857] Bond on appeal for $1,000.00, approved and filed Sept. 26, 1933, omitted in printing.

[fol. 5858] In United States District Court

[Title omitted]

Stipulation for Additional and Supplemental Statement of Evidence—Filed Oct. 24, 1933

Whereas Defendants, in submitting to the court for approval Statement of Evidence for the purpose of appeal, were not aware that Plaintiff also would appeal and did not include in said Statement of Evidence the additional narrative statement and the exhibits hereinafter specified which they now deem necessary to have in the record (except Exhibits D-20, D-21 and D-23, desired by Plaintiff), and

Whereas, Plaintiff desires to have in the record in the Supreme Court said Exhibits D-20, D-21 and D-23,

It is stipulated that the following exhibits and portions thereof be submitted to the court for approval as an Additional and Supplemental Statement of Evidence:

[fol. 5859] Additional Narrative Statement.

X-106.
X-107.
X-113.
X-114.
X-115.

X-116.	X-124.	X-147.
X-117.	X-127.	X-152.
X-118.	X-128.	X-219.
X-119.	X-136.	X-323.
X-120.	X-146.	X-324.

X-352.—1923 Annual Report of Illinois Bell Telephone Company, p. 2, par. 3.

X-354.—Pages 11, 23, 23½, 28, 35, 36 and 37.

X-366.—Pages 1 and 5.

X-376.

X-420.—Part of p. 5—Balance of page beginning with "Vol. 9, page 151".

Page 6—Entire page.

Page 7—Two resolutions at top of page; balance of page beginning with "Vol. 9, page 249".

Page 8—Entire page except last three lines.

Page 9—Entire page except first three lines.

Page 10—Balance of page beginning with "Vol. 10, page 74".

Page 11—First five lines.

Page 12—First resolution under "Vol. 10, page 117".

Page 13—Balance of page beginning with "Vol. 10, page 163".

Page 14—Entire page.

Page 15—First 2 full paragraphs.

[fols. 5860 & 5861] Page 17—Balance of page beginning with "Vol. 10, page 262".

Page 18—Entire page.

Page 19—First six lines.

X-402.—Letters dated July 28, 1931 and September 21, 1931.

D-20.

D-21.

D-23.

D-107.—Page 1, par. 2, and part of page 2.

D-113.

Deposition Exhibit 38—p. 4, first three paragraphs.

A-32.—Pages 8 and 9.

It is further stipulated that this Additional and Supplemental Statement of Evidence may be used by either party on all questions at issue in the Supreme Court of the United States in the case of Lindheimer et al. v. Illinois Bell Tele-

phone Company, No. 440, October Term, 1933, and for the purposes of the appeal of Plaintiff.

Charles M. Bracelen, William H. Thompson, Edward L. Blackman, Kenneth F. Burgess, Leslie N. Jones, Solicitors for Plaintiff. Otto Kerner, Attorney General of the State of Illinois; Geo. I. Haight, Benjamin F. Goldstein, Edmund D. Adcock, Wm. H. Sexton, Solicitors for Defendants.

[fol. 5862] In United States District Court

[Title omitted]

Order Approving Additional and Supplemental Statement of Evidence—Oct. 24, 1933

This cause coming on to be further heard on stipulation of the counsel for approval of an additional and supplemental narrative statement in simple and condensed form of the evidence adduced at the trial, and it appearing to the court that the foregoing Additional and Supplemental Statement of Evidence was lodged in due time with the clerk of this court and that all parties have stipulated that it be approved,

It is therefore ordered, adjudged and decreed that the foregoing Additional and Supplemental Statement of Evidence, together with the Statement of Evidence heretofore approved by this court on September 7th, 1933, be and the same is hereby settled, allowed and approved as a full, true and correct statement in simple and condensed form [fol. 5863] of all the testimony, documentary evidence and exhibits introduced in connection with all the proceedings and motions in the above cause essential for the decision of the questions presented by the appeals herein.

It is further ordered, adjudged and decreed that the said Additional and Supplemental Statement of Evidence as filed in the clerk's office shall be incorporated in the transcript of record by the clerk of this court on the appeal of this cause to the Supreme Court of the United States by Plaintiff herein.

Enter.

James H. Wilkerson, Judge.

Dated October 24, 1933.

[fol. 5864] IN UNITED STATES DISTRICT COURT

Additional and Supplemental Statement of Evidence—Filed Oct. 4, 1933

MOTION FOR RULE REQUIRING PLAINTIFF TO MAKE AVAILABLE CERTAIN DATA, ETC.

On May 3, 1932, Defendants, by their counsel, moved the Court, among other things, as follows:

"Pursuant to the hearing before the Court on Friday, April 22, 1932, now come the defendants and ask that the Court direct and enter a rule upon the plaintiff to make available for examination by the defendants or their counsel or representatives, the following data, documents and reports:

(1) Provisional Estimate Reports covering the years 1920 to 1931, both inclusive, prepared by Illinois Bell and sent to A. T. & T. Also Provisional Estimate Reports prepared by the several licensee companies and sent to A. T. & T., covering the same years. (A copy of the form on which said Provisional Estimate Reports are prepared, is attached hereto.)

(2) Review of Provisional Estimates prepared by Illinois Bell and sent to A. T. & T., covering the years 1920 to 1931, both inclusive, and Review of Provisional Estimates prepared by the several licensee companies and sent to A. T. & T., covering the same years. (Copy of forms #22-B, sheets 1, 2 and 3, upon which the reports were prepared, are hereto attached.) * * *"

After consideration of the argument of Counsel, the Court ruled, in part, as follows:

"We have made up our minds and tentatively we can dispose of some of this matter at the present time. The request set forth in the first sentence of No. 1 is granted.

"The request contained in the first clause of No. 2 is granted; to be specific, review of provisional estimates prepared by the Illinois Bell Telephone Company and sent to A. T. & T., covering the years from 1920 to 1931, both inclusive.

"The balance of that request, and the request set forth in the second sentence of Paragraph 1 we do not pass upon at the present time."

[fol. 5865] [File endorsement omitted]

[fol. 5866] EXHIBIT X-106

American Telephone and Telegraph Company

Allocation of Taxes, 1923-1930

(Heiss Exhibit No. 10)

1. The attached statements analyze for the years 1923 to 1930, inclusive, the total annual taxes of the company, the amounts thereof assigned to Long Lines, the amounts assigned to license contract activities (a) "direct" i. e., wholly license, and (b) "indirect" i. e., jointly license, and (c) the amounts assigned to non-license activities.

2. With the exception of the Federal income tax (see paragraph 4) the amounts reported as "Long Lines" taxes represent the charges currently made during the respective years in the separate subsidiary accounts maintained by that department. The apportionment of these taxes to the Long Lines was made at the time of payment as follows:

New York Excise Tax. This tax is based on gross earnings within the state. The Long Lines earnings within New York State were ascertainable from the accounts of that department and the tax was based thereon.

New York Franchise Tax, Massachusetts Franchise Tax, and Federal Capital Stock Tax (discontinued June 30, 1926). These taxes are based generally on value or earnings. Long Lines assets being ascertainable from its separate accounts, the apportionment was made on the basis of assets.

Long Lines State and Municipal Taxes. These are a wholly Long Lines charge.

Instrument Taxes, and Stamp and Miscellaneous Taxes. These are paid directly by and chargeable to the department of the company performing the license and other activities. No portion thereof is assignable to "Long Lines."

[fol. 5867] 3. After excluding amounts charged to Long Lines an apportionment of the remainder to

a) direct (wholly) license costs,
b) indirect (jointly) license costs, and
c) other (non-license) costs

was made on a like basis for the purpose of this cost study as follows:

New York Excise Tax (based on gross earnings within the state). The earnings allocated to license activities (chiefly license revenues, interest on advances to and on funds held available for use of licensee companies) and to non-license activities were ascertained and apportioned to license service activities accordingly.

New York Franchise Tax, Massachusetts Franchise Tax, and Federal Capital Stock Tax. The assets devoted to

a) direct (wholly) license activities,
b) indirect (jointly) license activities, and
c) other (non-license) activities

were ascertained and apportionment of the several taxes made on the basis of the respective assets.

Instrument Taxes. The entire amount of these taxes was assigned to indirect (jointly) license costs in this study.

Stamp and Miscellaneous Taxes. These taxes are allocated entirely to costs jointly license with the exception of minor amounts assigned to non-license activities.

4. Federal Income Tax. In this cost study this tax was apportioned to

a) Long Lines Department,
b) direct (wholly) license contract activities, and
c) all other activities (indirect-jointly-license and other-non-license),

on the basis of the respective taxable net income of each [fol. 5868] activity after apportioning the general company interest charges to each on the basis of the respective assets (producing taxable income) of each class. For the years in which the deductions applicable to Class (c) activities more than offset the earnings of that class subject to tax the excess deductions were applied to reduce the tax apportioned to direct (wholly) license activities.

5. Real Estate Tax. Tax on New York office building owned during 1923 to 1925 and is apportioned to direct (wholly) license, indirect (jointly) license and other (non-license) costs on the basis of the allocation of general departmental expenses. This tax was deducted from rent revenues in determining the net cost of carrying the investment in physical property and therefore is not included in amount shown as "Taxes" on Heiss Exhibit 10, Sheet 1.

July 6, 1931.

[fol. 5869] American Telephone and Telegraph Company

Item 1(c)—Analysis of Taxes

Year 1920

	Total company	Long lines	Balance—taxes included in estimate of costs incurred in rendering license contract services
New York Excise	$74,458	$11,881	$62,577
New York Franchise	213,232	9,340	203,892
Massachusetts Franchise	574,662	39,588	535,074
Instrument	174,141	0	174,141
Long Lines State and Municipal	726,103	726,103	0
Federal Capital Stock	438,993	43,437	395,556
Federal Income	944,231	589,917	354,314
Stamp and Miscellaneous	16,715	0	16,715
Total	$3,162,535	$1,420,266	$1,742,269

NOTE.—Method of apportioning taxes is the same as used for the years 1923 to 1930.

December 2, 1931.

[fol. 5870] American Telephone and Telegraph Company

Item 1(c)—Analysis of Taxes

Year 1921

	Total company	Long lines	Balance—taxes included in estimate of costs incurred in rendering license contract services
New York Excise	$82,187	$12,875	$69,312
New York Franchise	199,770	9,593	190,177
Massachusetts Franchise	706,360	59,100	647,260
Instrument	142,740	0	142,740
Long Lines State and Municipal	903,338	903,338	0
Federal Capital Stock	394,088	43,770	350,318
Federal Income	1,783,410	1,191,615	591,795
Stamp and Miscellaneous	67,047	0	67,047
Total	$4,278,940	$2,220,291	$2,058,649

NOTE.—Method of apportioning taxes is the same as used for the years 1923 to 1930.

December 2, 1931.

[fol. 5871] American Telephone and Telegraph Company

Item 1(c)—Analysis of Taxes

Year 1922

	Total company	Long lines	Balance—taxes included in estimate of costs incurred in rendering license contract services
New York Excise	$92,385	$12,938	$79,447
New York Franchise	230,695	12,107	218,588
Massachusetts Franchise	1,115,870	60,012	1,055,858
Instrument	240,734	0	240,734
Long Lines State and Municipal	1,000,794	1,000,794	0
Federal Capital Stock	522,572	54,167	468,405
Federal Income	2,641,938	1,837,111	804,827
Stamp and Miscellaneous	41,838	0	41,838
Total	$5,886,826	$2,977,129	$2,909,697

NOTE.—Method of apportioning taxes is the same as used for the years 1923 to 1930.

December 2, 1931.

[fol. 5872]

EXHIBIT X-106-P7

American Telephone and Telegraph Company

Analysis of Taxes

Year 1923

	Total company (1)	Long lines (2)	Balance excluding long lines taxes				
			Total col. (1) less col. (2) (3)	License			
				Direct (wholly license) (4)	Indirect (jointly license) (5)	Total col. (4) and col. (5) (6)	Other (non-license) (7)
New York Excise	$98,956	$14,453	$84,503	.....	$84,291	$84,291	$212
New York Franchise	348,589	40,565	308,024	$56,520	251,021	307,541	483
Massachusetts Franchise	184,249	144,740	39,509	.....	39,509	39,509	.....
Instrument	160,504	.....	160,504	.....	160,504	160,504	.....
Long Lines State and Municipal	1,155,440	1,155,440	.....	.....	.....	.....	.....
Federal Capital Stock	744,815	140,079	604,736	152,972	437,548	590,520	14,216
Federal Income	*3,657,766	1,883,602	1,774,164	1,614,805	159,359	1,774,164	.....
Stamp and Miscellaneous	26,128	.....	26,128	.....	26,128	26,128	.....
Total	$6,376,447	$3,378,879	$2,997,568	$1,824,297	$1,158,360	$2,982,657	$14,911

July 6, 1931.

*Accrued.

[fol. 5873]

EXHIBIT X-106-P8

American Telephone and Telegraph Company

Analysis of Taxes

Year 1924

	Total company (1)	Long lines (2)	Balance excluding long lines taxes				
			Total col. (1) less col. (2) (3)	License			Other (non-license) (7)
				Direct (wholly license) (4)	Indirect (jointly license) (5)	Total col. (4) and col. (5) (6)	
New York Excise	$105,791	$13,985	$91,806	.....	$90,826	$90,826	$980
New York Franchise	353,772	38,474	315,298	$35,629	279,165	314,794	504
Massachusetts Franchise	676,500	138,459	538,041	.....	538,041	538,041	.....
Instrument	185,559	.....	185,559	.....	185,559	185,559	.....
Long Lines State and Municipal	1,460,939	1,460,939	.....	.....	.....	.....	.....
Federal Capital Stock	884,207	191,714	692,493	194,976	493,294	688,270	4,223
Federal Income	3,693,595	2,004,988	1,688,607	1,606,615	81,992	1,688,607	.....
Stamp and Miscellaneous	31,724	.....	31,724	.....	31,604	31,604	120
Total	$7,392,087	$3,848,559	$3,343,526	$1,837,220	$1,700,481	$3,537,701	$5,827

July 6, 1931.

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[fol. 5874]

EXHIBIT X-106-P9

American Telephone and Telegraph Company

Analysis of Taxes

Year 1925

	Total company (1)	Long lines (2)	Balance excluding long lines taxes: Total col. (1) less col. (2) (3)	License: Direct (wholly license) (4)	License: Indirect (jointly license) (5)	License: Total col. (4) and col. (5) (6)	Other (non-license) (7)
New York Excise	$115,004	$15,323	$99,681	.....	$98,972	$98,972	$709
New York Franchise	426,203	38,250	387,953	$38,608	347,803	386,413	1,540
Massachusetts Franchise	675,000	125,071	549,929	.....	549,929	549,929	.....
Instrument	208,833	.....	208,633	.....	208,833	208,833	.....
Long Lines State and Municipal	1,504,322	1,504,322	.....	.....	.....	.....	.....
Federal Capital Stock	1,008,177	195,694	812,483	233,826	577,875	811,701	782
Federal Income	4,177,494	2,305,629	1,871,865	1,851,254	20,611	1,871,865	.....
Stamp and Miscellaneous	28,118	.....	28,118	.....	27,946	27,946	172
Total	$8,143,151	$4,184,289	$3,958,862	$2,123,688	$1,831,971	$3,955,659	$3,203

July 6, 1931.

[fol. 5875]

EXHIBIT X-106-P10

American Telephone and Telegraph Company

Analysis of Taxes

Year 1926

	Total company (1)	Long lines (2)	Balance excluding long lines taxes				
			Total col. (1) less col. (2) (3)	License			Other (non-license) (7)
				Direct (wholly license) (4)	Indirect (jointly license) (5)	Total col. (4) and col. (5) (6)	
New York Excise	$125,075	$11,041	$114,034	.....	$113,409	$113,409	$625
New York Franchise	428,612	41,358	387,254	$33,534	353,188	386,722	532
Massachusetts Franchise	676,233	128,800	547,433	.....	547,433	547,433	.....
Instrument	16,830	.....	16,830	.....	16,830	16,830	.....
Long Lines State and Municipal	1,562,857	1,562,857	.....	.....	.....	.....	.....
Federal Capital Stock	549,509	101,819	447,690	117,739	329,542	447,281	409
Federal Income	4,657,241	2,786,339	1,870,902	1,374,637	496,265	1,870,902	.....
Stamp and Miscellaneous	26,426	.....	26,426	.....	26,218	26,218	208
Total	$8,042,783	$4,632,214	$3,410,569	$1,525,910	$1,882,885	$3,408,795	$1,774

July 6, 1931.

[fol. 5876]

EXHIBIT X-106-P11

American Telephone and Telegraph Company

Analysis of Taxes

Year 1927

	Total company (1)	Long lines (2)	Balance excluding long lines taxes: Total col. (1) less col. (2) (3)	License: Direct (wholly license) (4)	License: Indirect (jointly license) (5)	License: Total col. (4) and col. (5) (6)	Other (non-license) (7)
New York Excise	$145,745	$3,957	$141,788	.....	$141,079	$141,079	$709
New York Franchise	501,089	37,922	463,167	$39,788	423,075	462,863	304
Massachusetts Franchise	678,000	117,670	560,330	.....	560,330	560,330	.....
Instrument	17,342	.....	17,342	.....	17,342	17,342	.....
Long Lines State and Municipal	1,885,805	1,885,805	.....	.....	.....	.....	.....
Federal Income	4,443,311	2,249,764	2,193,547	2,156,280	*103,848	2,052,432	141,115
Stamp and Miscellaneous	10,119	.....	10,119	.....	10,024	10,024	95
Adjustment of Federal Capital Stock Tax for prior years	96,000	.....	96,000	.....	96,000	96,000	.....
Total	$7,777,411	$4,295,118	$3,482,293	$2,196,068	$1,144,002	$3,340,070	$142,223

July 1, 1931.

* Red figures.

[fol. 5877]

EXHIBIT X-106-P12

American Telephone and Telegraph Company

Analysis of Taxes

Year 1928

	Total company (1)	Long lines (2)	Balance excluding long lines taxes: Total col. (1) less col. (2) (3)	License: Direct (wholly license) (4)	License: Indirect (jointly license) (5)	License: Total col. (4) and col. (5) (6)	Other (non-license) (7)
New York Excise	$133,756	$3,206	$130,552	.....	$130,539	$130,539	$13
New York Franchise	490,964	27,413	463,551	$24,651	438,808	463,459	92
Massachusetts Franchise	680,000	79,593	600,407	.....	600,407	600,407	.....
Long Lines State and Municipal	2,358,789	2,358,789	.....	.....	.....	.....	.....
Federal Income	4,068,915	3,581,695	487,220	260,538	226,682	487,220	.....
Stamp and Miscellaneous	10,610	.....	10,610	.....	10,376	10,376	234
Adjustment of Federal Capital Stock Tax for prior years	*1,969	18,160	*20,129	.....	*20,129	*20,129	.....
Total	$7,741,067	$6,068,856	$1,672,211	$285,189	$1,386,683	$1,671,872	$339

July 6, 1931.

* Red figures.

[fol. 5878]

EXHIBIT X-106-P13

American Telephone and Telegraph Company

Analysis of Taxes

Year 1929

	Total company (1)	Long lines (2)	Balance excluding long lines taxes				
			Total col. (1) less col. (2) (3)	License			
				Direct (wholly license) (4)	Indirect (jointly license) (5)	Total col. (4) and col. (5) (6)	Other (non-license) (7)
New York Excise	$136,042	$3,606	$132,436	.....	$132,395	$132,395	$41
New York Franchise	526,475	53,223	473,252	$27,401	445,523	472,924	328
Massachusetts Franchise	685,465	129,322	556,143	.....	556,143	556,143	.....
Long Lines State and Municipal	2,649,220	2,649,220	.....	.....	.....	.....	.....
Federal Income	2,632,976	2,782,661	*149,685	*67,004	*216,689	*149,685	.....
Stamp and Miscellaneous	6,567	.....	6,567	.....	6,325	6,325	242
Total	$6,636,745	$5,618,032	$1,018,713	$94,405	$923,697	$1,018,102	$611

July 6, 1931.

* Red figures.

[fol. 5879]

EXHIBIT X-106-P14

American Telephone and Telegraph Company

Analysis of Taxes

Year 1930

	Total company (1)	Long lines (2)	Balance excluding long lines taxes: Total col. (1) less col. (2) (3)	License: Direct (wholly license) (4)	License: Indirect (jointly license) (5)	License: Total col. (4) and col. (5) (6)	Other (non-license) (7)
New York Excise	$158,641	$4,467	$154,174	.....	$153,771	$153,771	$403
New York Franchise	546,848	50,446	496,402	$26,611	*465,624	492,235	4,167
Massachusetts Franchise	683,000	121,743	566,257	.....	566,257	566,257	.....
Long Lines State and Municipal	2,485,198	2,485,198	.....	.....	.....	.....	.....
Federal Income	(a) 950,910	1,174,282	*223,372	.....	*223,372	*223,372	.....
Stamp and Miscellaneous	265	.....	265	.....	7	7	258
Total	$4,829,862	$3,836,136	$993,726	$26,611	$962,287	$988,898	$4,828

(a) Estimated.

* Red figures.

July 6, 1931.

[fol. 5880] EXHIBIT X-107

American Telephone and Telegraph Company

Instrument Maintenance

Years 1923-1927 (Heiss Exhibit No. 10)

Year	Depreciation expense charges (credited to the reserve) (1)	Instrument repairs (2)	Total instrument maintenance cols. (1) and (2)
1923	$2,133,172	$1,086,422	$3,219,594
1924	2,390,753	1,328,873	3,719,626
1925	2,646,034	1,613,737	4,261,771
1926	2,920,151	2,033,810	4,953,961
1927	3,150,992	2,066,815	5,217,807

NOTE. Instruments were sold to the licensee companies December 31, 1927.

July 6, 1931.

[fol. 5881]

EXHIBIT X-113

American Telephone and Telegraph Company

Per Cent of Return Considered Fair by Plaintiff on Investment in Telephone Instruments Used by Illinois Bell Telephone Company, Chicago Area, if Total Return is Reduced by Amount of Taxes of Instruments During Years 1923 to 1927, Inclusive

Item	Reference	Year ended Dec. 31, 1923	Year ended Dec. 31, 1924	Year ended Dec. 31, 1925	Year ended Dec. 31, 1926	Year ended Dec. 31, 1927
(1) Net Investment in Telephone Instruments Allocated to Chicago Area	A-166	$1,076,383	$1,229,090	$1,363,408	$1,500,641	$1,477,977
(2) Claimed Allowance for Furnishing Telephone Instruments	A-163	431,939 (a)	497,301 (a)	552,313 (a)	597,014 (a)	600,032 (a)
(3) Actual Cost of Furnishing Telephone Instruments	A-170	327,965 (b)	378,626 (b)	433,185 (b)	425,880 (b)	445,618 (b)
(4) Excess of Claimed Allowance over Actual Cost		103,974 (c)	118,675 (c)	119,128 (c)	171,134 (c)	154,414 (c)
(5) Return on Investment Included in Item 3	A-166	73,948	84,193	94,484	102,494	101,389
(6) Total Return on Investment Included in Item 2 (Item 4 plus Item 5)		177,922	202,868	213,612	273,628	255,803
(7) Per Cent of Return on Investment (Item 6 divided by Item 1)		16.53%	16.50%	15.66%	18.23%	17.31%
(8) Per Cent of Return on Investment Converted to Average Return to A. T. & T. Co. Stockholders on their Proportionate Investment in Capital Stock		24.03%	24.30%	23.24%	27.50%	25.65%

(a) Does not include an allowance for taxes.
(b) Includes taxes on instruments.
(c) This amount is less than claimed in Plaintiff's Exhibit A-200 by amount of taxes on instruments.

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[fol. 5882]

EXHIBIT X-114

American Telephone and Telegraph Company

Per Cent of Return Considered Fair by Plaintiff on Investment in Telephone Instruments Used by Associated Companies per Plaintiff's Exhibits A-166 and A-198 During Years 1923 to 1927, Inclusive

Item	Reference	Year ended Dec. 31, 1923	Year ended Dec. 31, 1924	Year ended Dec. 31, 1925	Year ended Dec. 31, 1926	Year ended Dec. 31, 1927
(1) Net Investment in Telephone Instruments—A. T. & T. Co.	A-166	$16,318,631	$18,920,431	$20,985,998	$23,098,337	$22,407,037
(2) Investment Allocated to Long Lines	A-166	9,791	11,352	10,493	11,549	13,444
(3) Investment—Associated Companies	A-166	16,308,840	18,909,079	20,975,505	23,086,788	22,393,593
(4) Return on Investment—Associated Companies	A-166	1,120,417	1,295,272	1,453,603	1,576,827	1,536,201
(5) Per Cent of Return on Investment—Associated Companies (Item 4 divided by Item 3)	A-166(a)	6.87%	6.85%	6.93%	6.83%	6.86%
(6) Additional Return on Investment—Associated Companies—Claimed by Plaintiff to be necessary to produce Fair Return		$2,332,636	$2,719,135	$2,957,830	$2,871,368	$2,454,998
(7) Per Cent of Additional Return on Investment—Associated Companies (Item 6 divided by Item 3)		14.30%	14.38%	14.10%	12.44%	10.96%
(8) Total Return on Investment—Associated Companies—Claimed by Plaintiff to be necessary to produce Fair Return (Item 4 plus Item 6)		$3,453,053	$4,014,407	$4,411,433	$4,448,195	$3,991,199
(9) Per Cent of Total Return on Investment—Associated Companies (Item 8 divided by Item 3)		21.17%	21.23%	21.03%	19.27%	17.82%
(10) Per Cent of Total Return on Investment—Associated Companies, Converted to Average Return to A. T. & T. Co. Stockholders on their Proportionate Investment in Capital Stock		31.35%	31.89%	32.07%	29.20%	26.47%

(a) Agrees with Plaintiff's Exhibit A-164—Cost of Funds Used in Business.

[fol. 5883] EXHIBIT X-115

American Telephone and Telegraph Company

Comparison of Claims of Plaintiff for Return on Investment in Telephone Instruments Used by Illinois Bell Telephone Company, Chicago Division, with American Telephone and Telegraph Company's Actual Experience for Year Ended December 31, 1923

	Presentation during year 1929 (Record 1038) (a)	Presentation during year 1932 (Pl. Exhib.) A-163) (b)	Actual experience, year 1923 (Pl. Exhibits A-166 and A-170) (c)
(1) Investment or Value New	$3,494,271	$2,366,891	$2,066,474
(2) Depreciation	.....	189,351	990,091
(3) Net Investment or Fair Value	3,494,271	2,177,540	1,076,383
(4) Total Cost of Furnishing Telephone Instruments	709,007	473,590	327,965
(5) Return on Investment included in Item (4)	279,542	174,203	73,948
(6) Per Cent of Return on Investment, per Plaintiff's Presentation (Item 5 divided by Item 3)	8.00%	8.00%	6.87%
(7) Actual Return on Investment Obtained	$454,990 (b)	$219,573 (c)	$73,948
(8) Per Cent of Actual Return on Net Investment (Item 7 divided by Item 3, column (c))	42.27%	20.40%	6.87%
(9) Per Cent of Actual Return on Net Investment Converted to Average Return to A. T. & T. Co. Stockholders	64.63%	30.13%	8.79%

(a) Plaintiff's Exhibit A-163 did not include allowance for taxes. In order to make figures comparable, actual taxes of year 1923 amounting to $41,651, are included.

(b) $709,007 − $327,965 + $73,948.

(c) 473,590 − 327,965 + 73,948.

[fol. 5884] EXHIBIT X-116

American Telephone and Telegraph Company

Computation of Annual Cost of Furnishing Telephone Instruments to Chicago Division of Illinois Bell Telephone Company, Year Ended December 31, 1920

	Totals, all licensee companies	Illinois Bell Tel. Company, Chicago Div.
Average Stations in Service:		
All Licensees, using telephone instruments of A. T. & T. Co.	8,145,470	.....
Illinois Bell Telephone Co.—Chicago Division	.....	559,226
Per cent, Chicago Division of All Licensees	.....	6.865%
Average Investment in Telephone Instruments, Less Average Depreciation Reserve (Chicago Division 6.865%)	$11,064,999	$759,612
Return on Average Investment in Telephone Instruments, less Average Depreciation Reserve at 6.11% (Annual Cost of A. T. & T. Co. Funds)	.....	46,412
Repairs (Chicago Division 6.865%)	560,460	38,476
Depreciation Expense (Chicago Division 6.865%)	1,752,249	120,292
Taxes (Actual)	.....	83,623
Total Annual Cost of Furnishing Telephone Instruments	.....	$288,803
Annual Cost of Furnishing Telephone Instruments Per Telephone Station in Service	.....	$.5164

[fol. 5885] EXHIBIT X-117

American Telephone and Telegraph Company

Profit on Furnishing Telephone Instruments to Chicago Division Illinois Bell Telephone Company on Basis of Annual Allowance of $1.13 per Station Made by Public Utilities Commission in Order of December 20, 1920

During Year Ended December 31, 1920

(1) Average telephone stations in service in Illinois Bell Telephone Co., Chicago Division	559,226
(2) Annual Allowance of P. U. C. at $1.13 per sta.	$631,925
(3) Cost of furnishing telephone instruments at $.5164 per station (a)	288,803
(4) Profit to A. T. & T. Co. (b)	343,122
(5) Ratio of cost of furnishing telephone instruments (item 3) to annual allowance of P. U. C. (item 2)	45.70%

(6) Ratio of profit to A. T. & T. Co. (item 4) to annual allowance of P. U. C. (item 2)	54.30%
(7) Ratio of profit to A. T. & T. Co. (item 4) to cost (item 3)	118.81%
(8) Per cent of profit to A. T. & T. Co. (item 4) to average investment ($759,612)	45.17%

(a) Details of these figures are shown on next page.

(b) "Profit to A. T. & T. Co." is the amount carried to corporate surplus after including in the cost of furnishing telephone instruments, the cost of funds which the A. T. & T. Co. represents was paid during the year 1920 for the funds invested in telephone instruments. The cost of funds includes interest on funded debt, interest on other obligations and dividends on the capital stock at the rate of 8% per annum.

[fol. 5886] EXHIBIT X–118

American Telephone and Telegraph Company

Per Cent of Return on Investment from Furnishing Telephone Instruments to Chicago Division of Illinois Bell Telephone Company on Basis of Annual Allowance of $1.13 per Telephone Station Made by Public Utilities Commission in Order of December 20, 1920, During Year Ended December 31, 1920

(1) Average investment in telephone instruments, less depreciation	$759,612
(2) Return on average investment at rate of cost of funds (6.11%)	$46,412
(3) Additional profit to A. T. & T. Co. to corporate surplus	343,122
(4) Total return	$389,534
(5) Per cent of return on investment (item 4 to item 1)	51.28%
(6) Per cent of return on investment expressed in per cent of return to A. T. & T. Co. stockholders on their average capital stock investment	98.75%

[fol. 5887]

EXHIBIT X-119

American Telephone and Telegraph Company

Per Cent of Excess of Average Current Cost of Telephone Instruments Used by Illinois Bell Telephone Company, Chicago Division, Shown by Plaintiff's Exhibit A-163, over Book Cost Computed from Plaintiff's Exhibit A-66 During Years 1923 to 1927, Inclusive

Item	Reference	Year ended Dec. 31, 1923	Year ended Dec. 31, 1924	Year ended Dec. 31, 1925	Year ended Dec. 31, 1926	Year ended Dec. 31, 1927
(1) Total Investment in Telephone Instruments (Before Depreciation)	A-166	$31,329,013	$35,531,884	$39,373,616	$43,403,336	$42,848,662
(2) Investment Allocated to Long Lines	A-166 (a)	18,797	21,319	19,687	21,702	25,709
(3) Investment Allocated to Associated Companies	A-166	31,310,216	35,510,565	39,353,929	43,381,634	42,822,953
(4) Investment Allocated to Illinois Bell Telephone Company, Chicago Division	A-166 (b)	2,066,474	2,308,187	2,558,005	2,819,806	2,826,315
(5) Average Current Cost of Telephone Instruments	A-163	2,366,891	2,699,950	2,939,714	3,054,103	3,046,359
(6) Excess of Average Current Cost over Book Cost (Investment)		300,417	391,763	381,709	234,297	220,044
(7) Per Cent of Excess of Average Current Cost over Book Cost		14.54	16.97	14.92	8.31	7.78

(a) Using Per Cent in Column (2).
(b) Using Per Cent in Column (3).

[fol. 5888]

EXHIBIT X-120

American Telephone and Telegraph Company

Per Cent of Excess of Average Current Cost of Telephone Instruments Used by Bell System Shown by Defendants' Exhibit 122 over Book Cost Shown by Plaintiff's Exhibit A-166 During Years 1923 to 1927, Inclusive

Item	Reference	Year ended Dec. 31, 1923	Year ended Dec. 31, 1924	Year ended Dec. 31, 1925	Year ended Dec. 31, 1926	Year ended Dec. 31, 1927
(1) Average Current Cost	D-122	$36,712,948	$42,095,239	$46,392,461	$48,421,792	$46,937,162
(2) Book Cost (Before Depreciation)	A-166	31,329,013	35,531,884	39,373,616	43,403,336	42,848,662
(3) Excess of Average Current Cost over Book Cost		5,383,935	6,563,355	7,018,845	5,018,456	4,088,500
(4) Per Cent of Excess of Average Current Cost over Book Cost		17.18%	18.47%	17.83%	11.56%	9.54%

[fol. 5889]

EXHIBIT X-124

American Telephone and Telegraph Company

Capital Stock Holdings in Licensee Companies Showing Dividend Rates and Yields Thereon During Years 1920, 1921, and 1922

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Bell Telephone Company of Pennsylvania:			
1. Average A. T. & T. Stock Holdings—Par Value	$7,507,325	$7,516,000	$7,516,000
2. Average A. T. & T. Stock Holdings—Book Value	7,515,552	7,533,970	7,533,970
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	6.00%	8.00%	8.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	5.99%	7.98%	7.98%
Central Union Telephone Company:			
1. Average A. T. & T. Stock Holdings—Par Value	5,448,428	.....	.....
2. Average A. T. & T. Stock Holdings—Book Value	3,347,038	.....	.....
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	0.00%	.....	.....
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	0.00%	.....	.....
Chesapeake & Potomac Telephone Co. (Baltimore):			
1. Average A. T. & T. Stock Holdings—Par Value	.....	.....	1,600,000
2. Average A. T. & T. Stock Holdings—Book Value	.....	.....	1,600,000
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	.....	.....	6.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	.....	.....	6.00%
Chesapeake & Potomac Telephone Co. (W. Va.):			
1. Average A. T. & T. Stock Holdings—Par Value	.....	.....	3,412,700
2. Average A. T. & T. Stock Holdings—Book Value	.....	.....	3,412,700
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	.....	.....	0.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	.....	.....	0.00%
Cincinnati & Suburban Bell Telephone Co.:			
1. Average A. T. & T. Stock Holdings—Par Value	3,155,513	3,281,650	3,609,800
2. Average A. T. & T. Stock Holdings—Book Value	4,002,726	4,128,863	4,457,013
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	6.31%	6.36%	6.48%

Illinois Bell Telephone Company:			
1. Average A. T. & T. Stock Holdings—Par Value	39,377,800	44,355,350	49,367,225
2. Average A. T. & T. Stock Holdings—Book Value	46,462,494	51,440,543	56,452,540
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	6.78%	6.90%	7.00%
Indiana Bell Telephone Company:			
1. Average A. T. & T. Stock Holdings—Par Value	5,705,150	13,204,650	14,999,050
2. Average A. T. & T. Stock Holdings—Book Value	4,246,161	10,286,672	12,081,072
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	0.00%	0.00%	0.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	0.00%	0.00%	0.00%

[fol. 5890]

Michigan State Telephone Co.:			
Common:			
1. Average A. T. & T. Stock Holdings—Par Value	$5,998,319	$5,999,307	$5,999,507
2. Average A. T. & T. Stock Holdings—Book Value	6,410,663	6,411,687	6,412,029
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	0.00%	0.00%	0.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	0.00%	0.00%	0.00%
Preferred:			
1. Average A. T. & T. Stock Holdings—Par Value	2,002,800	2,117,380	2,183,700
2. Average A. T. & T. Stock Holdings—Book Value	1,933,257	2,003,303	2,050,402
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	0.00%	0.00%	19.50%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	0.00%	0.00%	20.76%
Mountain States Telephone Co.:			
1. Average A. T. & T. Stock Holdings—Par Value	27,989,285	27,990,000	27,990,000
2. Average A. T. & T. Stock Holdings—Book Value	28,009,057	28,009,772	28,009,772
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	7.00%	7.00%	7.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	7.00%	7.00%	7.00%
New England Telephone & Telegraph Co.:			
1. Average A. T. & T. Stock Holdings—Par Value	38,514,000	38,514,000	38,514,000
2. Average A. T. & T. Stock Holdings—Book Value	43,345,602	43,345,602	43,345,602
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	7.50%	8.00%	8.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	6.66%	7.11%	7.11%

EXHIBIT X-124—Continued

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
New York Telephone Company:			
1. Average A. T. & T. Stock Holdings—Par Value	159,000,000	160,515,584	204,692,000
2. Average A. T. & T. Stock Holdings—Book Value	187,500,000	198,015,589	242,192,000
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	6.40%	6.48%	6.76%
Northwestern Bell Telephone Company:			
1. Average A. T. & T. Stock Holdings—Par Value	15,000,000	42,150,000	42,150,000
2. Average A. T. & T. Stock Holdings—Book Value	14,472,000	40,667,107	40,667,107
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	7.75%	4.00%	5.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	8.03%	4.15%	5.18%

[fol. 5891]

Ohio Bell Telephone Company:			
Common:			
1. Average A. T. & T. Stock Holdings—Par Value	$15,498,900	$24,998,833	$28,498,800
2. Average A. T. & T. Stock Holdings—Book Value	12,558,260	19,999,053	23,498,945
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	0.00%	6.00%	0.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	0.00%	7.50%	0.00%
Preferred:			
1. Average A. T. & T. Stock Holdings—Par Value		700,000	17,708,505
2. Average A. T. & T. Stock Holdings—Book Value		642,250	16,247,553
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value		7.00%	7.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value		7.63%	7.63%
Pacific Telephone & Telegraph Company:			
Common:			
1. Average A. T. & T. Stock Holdings—Par Value	14,227,600	15,497,600	15,897,600
2. Average A. T. & T. Stock Holdings—Book Value	1,979,108	2,518,534	2,800,075
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	0.00%	0.00%	0.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	0.00%	0.00%	0.00%

Preferred:			
1. Average A. T. & T. Stock Holdings—Par Value	22,950,800	22,950,800	32,920,400
2. Average A. T. & T. Stock Holdings—Book Value	22,950,800	22,950,800	31,424,960
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	6.00%	6.00%	6.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	6.00%	6.00%	6.29%
Southern Bell Telephone Company:			
1. Average A. T. & T. Stock Holdings—Par Value	27,500,000	30,000,000	30,000,000
2. Average A. T. & T. Stock Holdings—Book Value	25,361,795	27,861,795	27,861,795
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	6.00%	6.00%	6.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	6.51%	6.46%	6.46%
Southern New England Telephone Company:			
1. Average A. T. & T. Stock Holdings—Par Value	3,985,100	5,001,400	5,501,550
2. Average A. T. & T. Stock Holdings—Book Value	4,277,097	5,293,397	5,793,547
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	7.50%	8.00%	8.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	6.99%	7.56%	7.60%
[fol. 5892]			
Southwestern Bell Telephone Co.:			
1. Average A. T. & T. Stock Holding—Par Value	$50,125,000	$60,000,000	$66,250,000
2. Average A. T. & T. Stock Holdings—Book Value	46,287,486	56,162,486	62,412,486
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	6.00%	7.25%	8.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	6.50%	7.75%	8.49%
Wisconsin Telephone Company:			
1. Average A. T. & T. Stock Holdings—Par Value	10,990,700	10,995,350	11,000,000
2. Average A. T. & T. Stock Holdings—Book Value	11,891,660	11,898,809	11,905,938
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	7.39%	7.39%	7.39%
Total—All Licensee Companies:			
1. Average A. T. & T. Stock Holdings—Par Value	$445,976,720	$515,787,829	$609,810,837
2. Average A. T. & T. Stock Holdings—Book Value	472,550,756	539,170,232	630,159,926
3. Dividend Rate On Average A. T. & T. Stock Holdings—Par Value	6.52%	6.66%	6.64%
4. Yield to A. T. & T. On Average Stock Holdings—Book Value	6.15%	6.37%	6.43%

(Here follow side folios 5893, 5894, 5895, 5896, and 5897)

[fol. 5893]

American Telephone and Telegraph Company

Capital Stock Holdings Showing Dividend Rates and Yields Thereon, in Licensee Companies During Years 1923 to 1930, Inclusive

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
Bell Telephone Company of Pennsylvania:								
1. Average A. T. & T. Stock Holdings—Par Value	$7,516,000	$35,786,767	$80,000,000	$80,000,000	$80,000,000	$80,000,000	$85,000,000	$90,000,000
2. Average A. T. & T. Stock Holdings—Book Value	7,533,970	38,261,047	86,316,050	86,316,050	86,316,050	86,316,050	91,316,050	96,316,050
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	7.98%	7.48%	7.41%	7.41%	7.41%	7.41%	7.45%	7.48%
Chesapeake & Potamac Telephone Co. (Baltimore):								
1. Average A. T. & T. Stock Holdings—Par Value	12,014,743	17,174,300	17,174,300	17,174,300	26,824,300	26,824,300	26,824,300	27,618,225
2. Average A. T. & T. Holdings—Book Value	12,940,291	18,642,162	18,642,162	18,642,162	28,292,162	28,292,162	28,292,162	29,086,087
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	6.00%	6.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	5.57%	5.53%	7.37%	7.37%	7.58%	7.58%	7.58%	7.60%
Chesapeake & Potomac Telephone Co. (New York):								
1. Average A. T. & T. Stock Holdings—Par Value	5,287,778	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,500,000
2. Average A. T. & T. Stock Holdings—Book Value	5,694,441	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,500,000
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.45%
Chesapeake & Potomac Telephone Co. (Virginia):								
1. Average A. T. & T. Stock Holdings—Par Value	7,173,696	9,000,000	9,000,000	9,000,000	13,200,000	13,200,000	13,200,000	14,400,000
2. Average A. T. & T. Stock Holdings—Book Value	7,173,696	9,000,000	9,000,000	9,000,000	13,200,000	13,200,000	13,200,000	14,400,000
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	7.50%	7.50%	6.00%	6.00%	6.00%	7.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	7.50%	7.50%	6.00%	6.00%	6.00%	7.00%	8.00%	8.00%
Chesapeake & Potomac Telephone Co. (West Virginia):								
1. Average A. T. & T. Stock Holdings—Par Value	9,581,350	10,500,000	10,500,000	11,925,000	16,200,000	16,200,000	16,200,000	16,200,000
2. Average A. T. & T. Stock Holdings—Book Value	9,581,350	10,500,000	10,500,000	11,925,000	16,200,000	16,200,000	16,200,000	16,200,000
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	7.00%	3.00%	6.00%	6.00%	6.00%	6.00%	6.00%	4.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	7.00%	3.00%	6.00%	6.00%	6.00%	6.00%	6.00%	4.00%
Cincinnati & Suburban Bell Telephone Co.:								
1. Average A. T. & T. Stock Holdings—Par Value	3,970,800	4,254,450	4,764,900	5,445,800	5,445,800	5,990,425	6,535,175	7,352,225
2. Average A. T. & T. Stock Holdings—Book Value	4,818,013	5,101,663	5,612,116	6,009,148	6,009,148	6,553,773	7,098,572	7,915,622
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%	8.00%	9.00%	9.00%	9.00%	9.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	6.59%	6.67%	6.79%	7.25%	8.16%	8.23%	8.29%	8.36%

[fol. 5894]

Cumberland Telephone & Telegraph Co. (Ky.):								
1. Average A. T. & T. Stock Holdings—Par Value	$7,749,600	$7,749,600	$19,110,400	$	$	$	$	$
2. Average A. T. & T. Stock Holdings—Book Value	7,749,600	7,749,600	19,543,246					
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	0.00%	7.00%	7.00%					
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	0.00%	7.00%	6.84%					
Diamond State Telephone Company:								
1. Average A. T. & T. Stock Holdings—Par Value							$1,250,000	$3,250,000
2. Average A. T. & T. Stock Holdings—Book Value							1,600,000	3,950,000
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value							0.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value							0.00%	6.58%
Illinois Bell Telephone Company:								
1. Average A. T. & T. Stock Holdings—Par Value	$59,314,500	$66,750,950	$69,242,100	$79,214,500	$86,661,900	$109,016,750	$109,017,675	$128,872,200
2. Average A. T. & T. Stock Holdings—Book Value	66,410,793	74,851,757	76,342,269	86,330,488	92,088,083	114,461,965	114,463,353	134,335,909
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	7.15%	7.13%	7.26%	7.34%	7.53%	7.62%	7.62%	7.67%
Indiana Bell Telephone Company:								
1. Average A. T. & T. Stock Holdings—Par Value	$14,999,050	$14,999,000	$20,999,050	$26,999,100	$26,999,100	$29,999,100	$29,999,100	$29,999,100
2. Average A. T. & T. Stock Holdings—Book Value	12,081,072	12,081,022	18,374,474	27,585,586	27,585,586	30,585,586	30,585,586	30,585,586
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	0.00%	0.00%	0.00%	4.00%	6.50%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	0.00%	0.00%	0.00%	3.91%	6.36%	7.85%	7.85%	7.85%
Michigan Bell Telephone Company:								
1. Average A. T. & T. Stock Holdings—Par Value	$20,023,376	$32,805,107	$49,992,607	$49,989,607	$49,988,356	$84,989,107	$84,988,607	$99,988,606
2. Average A. T. & T. Stock Holdings—Book Value	20,435,979	33,217,710	50,405,210	50,402,210	50,400,959	85,401,710	85,401,210	100,400,210
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	6.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	5.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	6.37%	7.90%	7.93%	7.93%	7.93%	7.96%	7.96%	4.98%

1. Average A. T. & T. Stock Holdings—Par Value	$20,023,376	$32,805,107	$49,992,607	$49,989,607	$49,988,356	$84,989,107	$84,988,607	$99,988,606
2. Average A. T. & T. Stock Holdings—Book Value	20,435,979	33,217,710	50,405,210	50,402,210	50,400,959	85,401,710	85,401,210	100,400,210
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	6.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	5.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	6.37%	7.90%	7.93%	7.93%	7.93%	7.96%	7.96%	4.98%

[fol. 5895]

Mountain State Telephone Company:

1. Average A. T. & T. Stock Holdings—Par Value	$27,990,000	$27,990,000	$27,990,000	$27,990,000	$27,990,000	$27,990,000	$27,990,000	$33,964,115
2. Average A. T. & T. Stock Holdings—Book Value	28,009,772	28,009,772	28,009,772	29,364,963	29,364,963	29,364,963	29,364,963	35,339,078
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	7.00%	7.00%	7.00%	7.25%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	7.00%	7.00%	7.00%	6.91%	7.63%	7.63%	7.63%	7.69%

New England Telephone and Telegraph Co.:

1. Average A. T. & T. Stock Holdings—Par Value	$38,514,000	$45,781,850	$48,826,233	$67,767,925	68,589,300	68,598,300	68,589,300	78,049,587
2. Average A. T. & T. Stock Holdings—Book Value	43,345,602	50,616,359	53,664,251	71,801,063	72,251,446	72,251,446	72,251,446	82,440,175
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	6.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	7.11%	7.24%	5.46%	7.55%	7.59%	7.59%	7.59%	7.57%

New Jersey Bell Telephone Company:

1. Average A. T. & T. Stock Holdings—Par Value						$60,296,400	$100,395,200	$100,395,200
2. Average A. T. & T. Stock Holdings—Book Value						68,502,740	114,062,384	114,062,384
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value						8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value						7.04%	7.04%	7.04%

New York Telephone Company:

1. Average A. T. & T. Stock Holdings—Par Value	$204,692,000	$204,692,000	$204,692,000	$280,600,000	$280,600,000	$280,600,000	$280,600,000	$304,187,500
2. Average A. T. & T. Stock Holdings—Book Value	242,192,000	242,192,000	242,192,000	303,578,800	303,580,335	303,580,335	303,580,335	327,167,835
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	6.76%	6.76%	6.76%	7.39%	7.39%	7.39%	7.39%	7.44%

Northwestern Bell Telephone Company:

1. Average A. T. & T. Stock Holdings—Par Value	$42,150,000	$42,150,000	$59,287,500	$65,000,000	$65,000,000	$65,000,000	$65,000,000	$65,000,000
2. Average A. T. & T. Stock Holdings—Book Value	40,667,107	40,667,107	57,804,607	66,039,490	66,039,490	66,039,490	66,039,490	66,039,490
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	6.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	6.22%	8.29%	8.21%	7.87%	7.87%	7.87%	7.87%	7.87%

[fol. 5896]

Ohio Bell Telephone Company:

Common Stock:

1. Average A. T. & T. Stock Holdings—Par Value	$28,498,800	$28,498,800	$32,998,800	$47,498,775	$49,998,800	$74,998,850	$88,748,900	$99,998,988
2. Average A. T. & T. Stock Holdings—Book Value	23,498,945	23,498,945	27,998,945	45,019,895	50,041,148	75,041,198	88,791,248	100,041,336
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	1.00%	3.00%	6.00%	6.00%	6.00%	7.00%	7.00%	6.25%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	1.21%	3.64%	7.07%	6.33%	5.99%	7.00%	7.00%	6.25%

Preferred Stock:

1. Average A. T. & T. Stock Holdings—Par Value	16,661,500	16,164,100	15,612,375	15,484,750	15,479,800	15,409,225	15,389,000	15,505,825
2. Average A. T. & T. Stock Holdings—Book Value	15,843,291	15,918,291	15,804,305	15,766,035	15,760,996	15,689,137	15,668,546	15,792,824
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	7.36%	7.11%	6.91%	6.88%	6.88%	6.88%	6.88%	6.87%

Pacific Telephone & Telegraph Company:

Common Stock:

1. Average A. T. & T. Stock Holdings—Par Value	16,107,600	16,341,100	38,163,300	38,161,369	68,818,975	79,045,700	79,45,700	132,703,850
2. Average A. T. & T. Stock Holdings—Book Value	2,984,175	3,210,226	35,024,873	35,021,427	65,228,710	75,456,199	75,456,199	129,114,349
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	0.00%	0.00%	6.00%	7.00%	7.00%	7.00%	7.00%	7.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	0.00%	0.00%	6.54%	7.63%	7.39%	7.33%	7.33%	7.19%

Preferred Stock:

1. Average A. T. & T. Stock Holdings—Par Value	42,390,000	55,711,187	64,042,700	64,042,700	64,042,700	64,042,700	64,042,700	64,042,700
2. Average A. T. & T. Stock Holdings—Book Value	39,433,970	51,100,683	58,397,335	55,953,111	55,953,111	55,953,111	55,953,111	55,953,111
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	6.45%	6.54%	6.58%	6.87%	6.87%	6.87%	6.87%	6.87%

Southern Bell Telephone Company:

1. Average A. T. & T. Stock Holdings—Par Value	37,741,936	45,000,000	45,000,000	75,552,708(a)	94,998,200	99,998,100	118,747,725	124,998,700
2. Average A. T. & T. Stock Holdings—Book Value	35,603,731	42,861,795	42,861,795	76,126,401(a)	96,812,381	101,812,281	120,561,906	126,815,765
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	7.75%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	8.22%	8.40%	8.40%	7.94%	7.85%	7.86%	7.88%	7.89%

[fol. 5897]

Southern New England Telephone Co.:

2. Average A. T. & T. Stock Holdings—Book Value	2,984,175	3,210,226	35,024,873	35,021,427	65,228,710	75,456,199	75,456,199	129,114,349
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	0.00%	0.00%	6.00%	7.00%	7.00%	7.00%	7.00%	7.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	0.00%	0.00%	6.54%	7.63%	7.39%	7.33%	7.33%	7.19%
Preferred Stock:								
1. Average A. T. & T. Stock Holdings—Par Value	42,390,000	55,711,187	64,042,700	64,042,700	64,042,700	64,042,700	64,042,700	64,042,700
2. Average A. T. & T. Stock Holdings—Book Value	39,433,970	51,100,683	58,397,335	55,953,111	55,953,111	55,953,111	55,953,111	55,953,111
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	6.45%	6.54%	6.58%	6.87%	6.87%	6.87%	6.87%	6.87%
Southern Bell Telephone Company:								
1. Average A. T. & T. Stock Holdings—Par Value	37,741,936	45,000,000	45,000,000	75,552,708(a)	94,998,200	99,998,100	118,747,725	124,998,700
2. Average A. T. & T. Stock Holdings—Book Value	35,603,731	42,861,795	42,861,795	76,126,401(a)	96,812,381	101,812,281	120,561,906	126,815,765
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	7.75%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	8.22%	8.40%	8.40%	7.94%	7.85%	7.86%	7.88%	7.89%

[fol. 5897]

Southern New England Telephone Co.:								
1. Average A. T. & T. Stock Holdings—Par Value	$6,001,700	$7,002,000	$7,505,150	$8,335,750	$9,336,100	$10,503,150	$11,670,200	$12,087,000
2. Average A. T. & T. Stock Holdings—Book Value	6,293,704	7,294,004	7,797,154	8,632,694	9,647,829	10,814,879	11,981,996	12,398,796
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	7.63%	7.68%	7.70%	7.72%	7.74%	7.77%	7.79%	7.80%
Southwestern Bell Telephone Co.:								
1. Average A. T. & T. Stock Holdings—Par Value	$75,000,000	$75,000,000	$75,000,000	$86,250,000	$100,000,000	$120,000,000	$139,999,175	$154,998,900
2. Average A. T. & T. Stock Holdings—Book Value	71,162,486	71,162,486	71,162,486	85,602,986	103,253,077	123,253,077	143,252,252	158,251,978
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	8.43%	8.43%	8.43%	8.06%	7.75%	7.79%	7.82%	7.84%
Wisconsin Telephone Company:								
1. Average A. T. & T. Stock Holdings—Par Value	11,000,000	15,950,000	19,550,000	21,375,000	21,937,500	23,575,000	25,650,000	28,000,000
2. Average A. T. & T. Stock Holdings—Book Value	11,905,958	16,885,958	20,455,958	23,439,896	25,161,335	26,798,835	28,873,835	31,223,835
3. Dividend Rate on Average A. T. & T. Stock Holdings—Par Value	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
4. Yield to A. T. & T. on Average Stock Holdings—Book Value	7.39%	7.56%	7.65%	7.30%	6.97%	7.04%	7.11%	7.17%
1. Total—All Companies—Average A. T. & T. Holdings—Par Value	$694,378,429	$792,301,211	$932,451,415	$1,090,807,284	$1,185,110,831	$1,369,268,107	$1,471,882,257	$1,645,112,721
2. Total—All Companies—Average A. T. & T. Holdings—Book Value	715,359,946	816,822,587	969,909,008	1,126,557,405	1,227,186,809	1,419,568,937	1,527,994,644	1,702,330,420
3. Composite Dividend Rate on Average A. T. & T. Holdings—Par Value	6.85%	7.18%	7.32%	7.59%	7.66%	7.75%	7.76%	7.51%
4. Composite Yield to A. T. & T. on Average Holdings—Book Value	3.65%	6.97%	7.03%	7.35%	7.39%	7.48%	7.48%	7.26%

NOTES.—All figures and computations herein refer only to stock actually issued. Unless otherwise specifically designated "A. T. & T. Stock Holdings" refer to common stock.
(a) Includes stock of Cumberland Telephone and Telegraph Company during portion of year 1926, which was exchanged for stock of Southern Bell Telephone Company.

[fol. 5898]

EXHIBIT X-127

American Telephone and Telegraph Company

Average Return to A. T. & T. Co. from Dividends on Its Investments in Capital Stocks of Licensee Companies Converted into Average Return to Stockholders of A. T. & T. Co. on Their Investments in Capital Stock of A. T. & T. Co. During Years 1920 to 1922, Inclusive

	Year ended Dec. 31, 1920	Year ended Dec. 31, 1921	Year ended Dec. 31, 1922
Bell Telephone Company of Pennsylvania	7.75%	11.31%	10.77%
Central Union Telephone Company	.....	(a)	(a)
Chesapeake & Potomac Telephone Company (Baltimore)	(a)	(a)	7.36%
Chesapeake & Potomac Telephone Company (West Virginia)	(a)	(a)	.....
Cincinnati & Suburban Bell Telephone Company	8.40%	8.17%	8.18%
Illinois Bell Telephone Company	9.34%	9.21%	9.08%
Indiana Bell Telephone Company	.....	.....	.....
Michigan State Telephone Company (Common)	.....	.....	.....
Michigan State Telephone Company (Preferred)	.....	.....	32.84% (b)
Mountain State Telephone Company	9.78%	9.41%	9.08%
New England Telephone and Telegraph Company	9.10%	9.62%	9.27%
New York Telephone Company	8.58%	8.40%	8.67%
Northwestern Bell Telephone Company	11.85%	3.88%	5.94%
Ohio Bell Telephone Company (Common)	.....	10.38%	.....
Ohio Bell Telephone Company (Preferred)	(a)	10.63%	10.17%
Pacific Telephone and Telegraph Company (Common)	.....	.....	.....
Pacific Telephone and Telegraph Company (Preferred)	7.77%	7.47%	7.86%
Southern Bell Telephone Company	8.80%	8.36%	8.15%
Southern New England Telephone Company	9.76%	10.49%	10.12%
Southwestern Bell Telephone Company	8.78%	10.86%	11.65%
Wisconsin Telephone Company	10.57%	10.16%	9.76%
Average yield on Stock Holdings in all Licensee Companies	8.08%	8.19%	8.10%
Average yield on Stock Holdings in all Licensee Companies exclusive of Illinois Bell Telephone Company	7.94%	8.07%	7.99%

(a) There were no stock holdings in these years.
(b) These are accumulated dividends from October 1, 1919.

EXHIBIT X-127—Continued

American Telephone and Telegraph Company

Average Return to A. T. & T. Co. from Dividends on Its Investments in Capital Stocks of Licensee Companies Converted into Average Return to Stockholders of A. T. & T. Co. on Their Investments in Capital Stock of A. T. & T. Co. During Years 1923 to 1930, Inclusive

	Year ended Dec. 31, 1923	Year ended Dec. 31, 1924	Year ended Dec. 31, 1925	Year ended Dec. 31, 1926	Year ended Dec. 31, 1927	Year ended Dec. 31, 1928	Year ended Dec. 31, 1929	Year ended Dec. 31, 1930
Bell Telephone Company of Pennsylvania	10.54%	9.82%	9.68%	9.78%	9.79%	10.20%	10.42%	10.91%
Chesapeake and Potomac Telephone Company (Baltimore)	6.74%	6.69%	9.62%	9.71%	10.06%	10.48%	10.64%	11.12%
Chesapeake and Potomac Telephone Company (New York)	9.67%	9.74%	9.72%	9.81%	9.82%	10.28%	10.38%	10.86%
Chesapeake and Potomac Telephone Company (Virginia)	9.78%	9.85%	7.37%	7.47%	7.53%	9.53%	11.35%	11.81%
Chesapeake and Potomac Telephone Company (West Virginia)	8.99%	2.63%	7.37%	7.47%	7.53%	7.89%	7.97%	4.89%
Cincinnati and Suburban Bell Telephone Company	8.35%	8.52%	8.67%	9.51%	10.99%	11.55%	11.83%	12.44%
Cumberland Telephone and Telegraph Company (Kentucky)	0.00%	9.05%	8.75%	.....	.....	.....	.....	.....
Diamond State Telephone Company	.....	.....	.....	.....	.....	.....	0.00%	9.35%
Illinois Bell Telephone Company	9.23%	9.26%	9.44%	9.66%	9.98%	10.54%	10.71%	11.24%
Indiana Bell Telephone Company	0.00%	0.00%	0.00%	4.05%	8.11%	10.92%	11.09%	11.55%
Michigan Bell Telephone Company	8.00%	10.50%	10.54%	10.63%	10.62%	11.10%	11.28%	6.58%
Mountain States Telephone Company	8.99%	9.05%	9.01%	8.96%	10.14%	10.56%	10.89%	11.28%
New England Telephone and Telegraph Company	9.17%	9.44%	6.48%	10.01%	10.08%	10.50%	10.65%	11.07%
New Jersey Bell Telephone Company	.....	.....	.....	.....	.....	9.59%	9.79%	10.15%
New York Telephone Company	8.61%	8.67%	8.62%	9.74%	9.76%	10.17%	10.32%	10.84%
Northwestern Bell Telephone Company	7.76%	11.12%	11.00%	10.53%	10.52%	10.95%	11.13%	11.59%
Ohio Bell Telephone Company (Common)	.14%	3.66%	9.13%	8.01%	7.51%	9.53%	9.66%	8.78%
Ohio Bell Telephone Company (Preferred)	9.56%	9.23%	8.86%	8.91%	8.94%	9.33%	9.46%	9.86%
Pacific Telephone and Telegraph Company (Common)	0.00%	0.00%	8.25%	10.14%	9.76%	10.07%	10.22%	10.41%

EXHIBIT X-127

American Telephone and Telegraph Company

Average Return to A. T. & T. Co. from Dividends on Its Investments in Capital Stocks of Licensee Companies Converted into Average Return to Stockholders of A. T. & T. Co. on Their Investments in Capital Stock of A. T. & T. Co. During Years 1923 to 1930, Inclusive—Continued.

	Year ended Dec. 31, 1923	Year ended Dec. 31, 1924	Year ended Dec. 31, 1925	Year ended Dec. 31, 1926	Year ended Dec. 31, 1927	Year ended Dec. 31, 1928	Year ended Dec. 31, 1929	Year ended Dec. 31, 1930
Pacific Telephone and Telegraph Company (Preferred)	8.12%	8.81%	8.32%	8.89%	8.92%	9.32%	9.44%	9.86%
Southern Bell Telephone Company	10.92%	11.30%	11.31%	10.04%	10.49%	10.94%	11.14%	11.62%
Southern New England Telephone Company	9.99%	10.14%	10.16%	10.28%	10.32%	10.79%	10.99%	11.47%
Southeastern Bell Telephone Company	11.25%	11.35%	11.36%	10.84%	10.33%	10.88%	11.04%	11.54%
Wisconsin Telephone Company	9.61%	9.95%	10.08%	9.60%	9.08%	9.59%	9.85%	10.38%
Average yield on Stock Holdings in all Licensee Companies	8.44%	9.00%	9.06%	9.68%	9.76%	10.32%	10.47%	10.53%
Average yield on Stock Holdings in all Licensee Companies exclusive of Illinois Bell Telephone Company	8.35%	8.97%	9.03%	9.68%	9.74%	10.30%	10.45%	10.46%

*Red Figure.

EXHIBIT X-128

American Telephone and Telegraph Company

Profit on Investment in Capital Stocks of Licensee Companies During Years 1920 to 1922, Inclusive

	Year ended Dec. 31, 1920	Year ended Dec. 31, 1921	Year ended Dec. 31, 1922
Bell Telephone Company of Pennsylvania:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	5.99%	7.98%	7.98%
2. Cost of Funds to A. T. & T. Company (a)	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	.12%*	1.30%	1.08%
4. Amount of Profit to A. T. & T. Co. on Stock Holdings (b)	$9,018.66*	$97,941.61	$81,366.88
Central Union Telephone Company:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	0.00%	.....	.....
2. Cost of Funds to A. T. & T. Company	6.11%	.....	.....
3. Per cent of Profit to A. T. & T. Company	6.11%*	.....	.....
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	204,504.02*	.....	.....
Chesapeake & Potomac Telephone Company (Baltimore):			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	.....	.....	6.00%
2. Cost of Funds to A. T. & T. Company	.....	.....	6.90%
3. Per cent of Profit to A. T. & T. Company	.....	.....	.90%*
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	.....	.....	14,400.00*
Chesapeake & Potomac Telephone Company (W. Va.):			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	.....	.....	0.00%
2. Cost of Funds to A. T. & T. Company	.....	.....	6.90%
3. Per cent of Profit to A. T. & T. Company	.....	.....	6.90%*
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	.....	.....	235,476.30*

Cincinnati and Suburban Bell Telephone Company:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	6.31%	6.36%	6.48%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	.20%	.32%*	.42%*
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	8,005.45	13,212.36*	18,719.45*
Illinois Bell Telephone Company:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	6.78%	6.90%	7.00%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	.67%	.22%	.10%
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	311,298.71	113,169.19	56,452.54
Indiana Bell Telephone Company:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	0.00%	0.00%	0.00%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	6.11%*	6.68%*	6.90%*
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	259,440.44*	687,149.69*	833,593.97*
Michigan State Telephone Company:			
Common			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	0.00%	0.00%	0.00%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	6.11%*	6.68%*	6.90%*
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	391,691.51*	428,300.69*	442,430.00*

*Red Figures (Losses).

(a) "Cost of funds to A. T. & T. Co." is the annual amount which the A. T. & T. Co. represents was paid by it currently on funds used in its business which were derived from its funded and other indebtedness, and from its capital and surplus. The annual cost of funds includes dividends paid by the A. T. & T. Co. at the rate of 8% for the year 1920 and for the first six months of 1921, and at the rate of 9% thereafter. The cost, as used above, was translated into a percentage of the funds.

(b) Profit or loss to A. T. & T. Co., as herein used, is the amount received by A. T. & T. Co. in excess of or less than its cost of funds as defined above.

EXHIBIT X-128—Continued

	Year ended Dec. 31, 1920	Year ended Dec. 31, 1921	Year ended Dec. 31, 1922
Preferred			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	0.00%	0.00%	20.76%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	6.11%*	6.68%*	13.86%
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	118,122.00*	138,820.64*	284,241.16
[fol. 5901]			
Mountain States Telephone Company:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	7.00%	7.00%	7.00%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	.89%	.32%	.10%
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	$249,280.61	$89,631.27	$28,009.77
New England Telephone & Telegraph Co.:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	6.66%	7.11%	7.11%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	.55%	.43%	.21%
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	238,400.81	186,386.09	91,025.76
New York Telephone Company:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	6.40%	6.48%	6.76%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	.29%	.20%*	.14%*
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	543,750.00	396,031.18*	339,068.80*

Northwest Bell Telephone Company:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	8.03%	4.15%	5.18%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	1.92%	2.53%*	1.72%*
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	277,862.40	1,028,877.81*	699,474.24*
Ohio Bell Telephone Company:			
Common			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	0.00%	7.50%	0.00%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	6.11%*	.82%	6.90%*
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	767,309.69*	163,992.23	1,621,427.21*
Preferred			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	.....	7.63%	7.63%
2. Cost of Funds to A. T. & T. Company	.....	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	.....	.95%	.73%
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	.....	6,101.38	118,607.14
Pacific Telephone and Telegraph Company:			
Common			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	0.00%	0.00%	0.00%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	6.11%*	6.68%*	6.90%*
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	120,923.50*	168,238.07*	193,205.18*

*Red Figures (Losses).

EXHIBIT X-128—Continued

	Year ended Dec. 31, 1920	Year ended Dec. 31, 1921	Year ended Dec. 31, 1922
Preferred			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	6.00%	6.00%	6.29%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	.11%*	.68%*	.61%*
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	25,245.88*	156,065.44*	191,692.26*
Southern Bell Telephone Company:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	6.51%	6.46%	6.46%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	.40%	.22%*	.44%*
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	101,447.18	61,295.95*	122,591.90*
[fol. 5902]			
Southern New England Telephone Company:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	6.99%	7.56%	7.60%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	.88%	.88%	.70%
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	37,638.45	46,581.89	40,554.83
Southwestern Bell Telephone Company:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	6.50%	7.75%	8.49%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	.39%	1.07%	1.59%
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	180,321.20	600,938.60	992,358.53

Wisconsin Telephone Company:			
1. Yield to A. T. & T. Co. on Book Value of Stock Holdings	7.39%	7.39%	7.39%
2. Cost of Funds to A. T. & T. Company	6.11%	6.68%	6.90%
3. Per cent of Profit to A. T. & T. Company	1.28%	.71%	.49%
4. Amount of Profit to A. T. & T. Co. on Stock Holdings	152,213.25	84,481.54	58,839.19
Total—All Licensee Companies:			
4. Total Amount of Profit to A. T. & T. Co. on Stock Holdings	204,162.36	1,683,758.03*	2,961,123.51*
Total—All Licensee Companies Exclusive of Ill. Bell Tel. Co.:			
4. Total Amount of Profit to A. T. & T. Co. on Stock Holdings	107,136.35*	1,796,937.22*	3,017,576.05*

* Red Figures (Losses).

NOTE.—Unless otherwise specifically designated, A. T. & T. Co. holdings refer to common stock.

(Here follow side folios 5903, 5904, 5905, 5906, and 5907).

[fol. 5903]

American Telephone and Telegraph Company

Profit on Capital Investment in Licensee Companies during Years 1923 to 1930, Inclusive

	Year ending December 31, 1923	Year ending December 31, 1924	Year ending December 31, 1925	Year ending December 31, 1926	Year ending December 31, 1927	Year ending December 31, 1928	Year ending December 31, 19
Bell Telephone Company of Pennsylvania:							
1. Yield to A. T. & T. Co. on book value of stock holdings	7.98%	7.48%	7.41%	7.41%	7.41%	7.41%	7.45
2. Cost of Funds to A. T. & T. Co. (a)	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53
3. Per cent of Profit to A. T. & T. Co.	1.11%	.63%	.48%	.56%	.55%	.86%	.92
4. Amount of Profit to A. T. & T. Co. on stock holdings (b)	$83,627.07	$241,044.60	$414,317.04	$500,633.09	$474,738.27	$742,318.03	$840,107.66
Chesapeake & Potomac Telephone Co. (Baltimore):							
1. Yield to A. T. & T. Co. on book value of stock holdings	5.57%	5.53%	7.37%	7.37%	7.58%	7.58%	7.58
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53
3. Per cent of Profit to A. T. & T. Co.	1.30%*	1.32%*	.44%	.54%	.72%	1.03%	1.05
4. Amount of Profit to A. T. & T. Co. on stock holdings	$168,223.78*	$246,076.54*	$82,025.51	$100,667.67	$203,703.57	$291,409.27	$297,067.70
Chesapeake & Potomac Telephone Co. (New York):							
1. Yield to A. T. & T. Co. on book value of stock holdings	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53
3. Per cent of Profit to A. T. & T. Co.	.56%	.58%	.50%	.60%	.57%	.88%	.90
4. Amount of Profit to A. T. & T. Co. on stock holdings	$31,888.87	$81,200.00	$70,000.00	$84,000.00	$79,800.00	$123,200.00	$126,000.00
Chesapeake & Potomac Telephone Co. (Va.):							
1. Yield to A. T. & T. Co. on book value of stock holdings	7.50%	7.50%	6.00%	6.00%	6.00%	7.00%	8.00
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53
3. Per cent of Profit to A. T. & T. Co.	.63%	.65%	.93%*	.83%*	.86%*	.45%	1.47
4. Amount of Profit to A. T. & T. Co. on stock holdings	$45,194.28	$58,500.00	$83,700.00*	$74,700.00*	$113,520.00*	$59,400.00	$194,040.00
Chesapeake & Potomac Telephone Co. (W. Va.):							
1. Yield to A. T. & T. Co. on book value of stock holdings	7.00%	3.00%	6.00%	6.00%	6.00%	6.00%	6.0
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.5
3. Per cent of Profit to A. T. & T. Co.	.13%	3.85%*	.93%*	.83%*	.86%*	.55%*	.4
4. Amount of Profit to A. T. & T. Co. on stock holdings	$12,455.75	$404,250.00*	$97,650.00*	$98,977.50*	$139,320.00*	$89,100.00*	$85,860.0
Cincinnati & Suburban Bell Telephone Co.:							
1. Yield to A. T. & T. Co. on book value of stock holdings	6.59%	6.67%	6.79%	7.25%	8.16%	8.23%	8.2
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.5
3. Per cent of Profit to A. T. & T. Co.	.28%*	.18%*	.14%*	.42%	1.30%	1.68%	1.7
4. Amount of Profit to A. T. & T. Co. on stock holdings	$13,490.44*	$9,182.99*	$7,856.96*	$25,238.42	$78,118.92	$110,103.39	$124,934.8

[fol. 5904]

Cumberland Telephone & Telegraph Co. (Kentucky):							
1. Yield to A. T. & T. Co. on book value of stock holdings	0.00%	7.00%	6.84%				
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%				
3. Per cent of Profit to A. T. & T. Co.	6.87%*	.15%	.09%*				
4. Amount of Profit to A. T. & T. Co. on stock holdings	$532,397.52*	$11,621.00	$17,588.92*				
Diamond State Telephone Company:							
1. Yield to A. T. & T. Co. on book value of stock holdings							0.
2. Cost of Funds to A. T. & T. Co.							6.
3. Per cent of Profit to A. T. & T. Co.							6.
4. Amount of Profit to A. T. & T. Co. on stock holdings							$104,480.
Illinois Bell Telephone Company:							
1. Yield to A. T. & T. Co. on book value of stock holdings	7.15%	7.13%	7.26%	7.34%	7.53%	7.62%	7.
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.
3. Per cent of Profit to A. T. & T. Co.	.28%	.28%	.33%	.51%	.67%	1.07%	1
4. Amount of Profit to A. T. & T. Co. on stock holdings	$185,950.22	$209,584.92	$251,929.49	$440,285.49	$616,990.16	$1,224,743.03	$1,247,650

American Telephone and Telegraph Company

Profit on Capital Investment in Licensee Companies during Years 1923 to 1930, Inclusive

	Year ending December 31, 1923	Year ending December 31, 1924	Year ending December 31, 1925	Year ending December 31, 1926	Year ending December 31, 1927	Year ending December 31, 1928	Year ending December 31, 1929	Year ending December 31, 1930
ny of Pennsylvania:								
& T. Co. on book value of stock holdings	7.98%	7.48%	7.41%	7.41%	7.41%	7.41%	7.45%	7.48%
to A. T. & T. Co. (a)	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
fit to A. T. & T. Co	1.11%	.63%	.48%	.56%	.55%	.86%	.92%	1.23%
fit to A. T. & T. Co. on stock holdings (b)	$83,627.07	$241,044.60	$414,317.04	$500,633.09	$474,738.27	$742,318.03	$840,107.66	$1,184,687.42
e Telephone Co. (Baltimore):								
& T. Co. on book value of stock holdings	5.57%	5.53%	7.37%	7.37%	7.58%	7.58%	7.58%	7.60%
to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
fit to A. T. & T. Co	1.30%*	1.32%*	.44%	.54%	.72%	1.03%	1.05%	1.35%
fit to A. T. & T. Co. on stock holdings	$168,223.78*	$246,076.54*	$82,025.51	$100,667.67	$203,703.57	$291,409.27	$297,067.70	$392,662.17
e Telephone Co. (New York):								
& T. Co. on book value of stock holdings	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.45%
to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
fit to A. T. & T. Co	.56%	.58%	.50%	.60%	.57%	.88%	.90%	1.20%
fit to A. T. & T. Co. on stock holdings	$31,888.87	$81,200.00	$70,000.00	$84,000.00	$79,800.00	$123,200.00	$126,000.00	$174,000.00
e Telephone Co. (Va.):								
& T. Co. on book value of stock holdings	7.50%	7.50%	6.00%	6.00%	6.00%	7.00%	8.00%	8.00%
o A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
fit to A. T. & T. Co	.63%	.65%	.93%*	.83%*	.86%*	.45%	1.47%	1.75%
it to A. T. & T. Co. on stock holdings	$45,194.28	$58,500.00	$83,700.00*	$74,700.00*	$113,520.00*	$59,400.00	$194,040.00	$252,000.00
e Telephone Co. (W. Va.):								
& T. Co. on book value of stock holdings	7.00%	3.00%	6.00%	6.00%	6.00%	6.00%	6.00%	4.00%
o A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
it to A. T. & T. Co	.13%	3.85%*	.93%*	.83%*	.86%*	.55%*	.53%*	2.25%*
it to A. T. & T. Co. on stock holdings	$12,455.75	$404,250.00*	$97,650.00*	$98,977.50*	$139,320.00*	$89,100.00*	$85,860.00*	$364,500.00*
Bell Telephone Co.:								
& T. Co. on book value of stock holdings	6.59%	6.67%	6.79%	7.25%	8.16%	8.23%	8.29%	8.36%
o A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
it to A. T. & T. Co	.28%*	.18%*	.14%*	.42%	1.30%	1.68%	1.76%	2.11%
it to A. T. & T. Co. on stock holdings	$13,490.44*	$9,182.99*	$7,856.96*	$25,238.42	$78,118.92	$110,103.39	$124,934.87	$167,019.62
& Telegraph Co. (Kentucky):								
: T. Co. on book value of stock holdings	0.00%	7.00%	6.84%					
o A. T. & T. Co	6.87%	6.85%	6.93%					
it to A. T. & T. Co	6.87%*	.15%	.09%*					
it to A. T. & T. Co. on stock holdings	$532,397.52*	$11,624.00	$17,588.92*					
ne Company:								
T. Co. on book value of stock holdings							0.00%	6.58%
o A. T. & T. Co							6.53%	6.25%
t to A. T. & T. Co							6.53%*	.33%
t to A. T. & T. Co. on stock holdings							$104,480.00*	$13,035.00
Company:								
T. Co. on book value of stock holdings	7.15%	7.13%	7.26%	7.34%	7.53%	7.62%	7.62%	7.67%
A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
t to A. T. & T. Co	.28%	.28%	.33%	.51%	.67%	1.07%	1.09%	1.42%
to A. T. & T. Co. on stock holdings	$185,950.22	$209,584.92	$251,929.49	$440,285.49	$616,990.16	$1,224,743.03	$1,247,650.55	$1,907,569.91

3. Per cent of Profit to A. T. & T. Co.							
4. Amount of Profit to A. T. & T. Co. on stock holdings							
Illinois Bell Telephone Company:							
1. Yield to A. T. & T. Co. on book value of stock holdings	7.15%	7.13%	7.26%	7.34%	7.53%	7.62%	7
2. Cost of Funds to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6
3. Per cent of Profit to A. T. & T. Co	.28%	.28%	.33%	.51%	.67%	1.07%	1
4. Amount of Profit to A. T. & T. Co. on stock holdings	$185,950.22	$209,584.92	$251,929.49	$440,285.49	$616,990.16	$1,224,743.03	$1,247,65
Indiana Bell Telephone Company:							
1. Yield to A. T. & T. Co. on book value of stock holdings	0.00%	0.00%	0.00%	3.91%	6.36%	7.85%	7
2. Cost of Funds to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6
3. Per cent of Profit to A. T. & T. Co.	6.87%*	6.85%*	6.93%*	2.92%*	.50%*	1.30%	1
4. Amount of Profit to A. T. & T. Co. on stock holdings	$829,969.65*	$827,550.00*	$1,273,351.05*	$805,499.11*	$137,927.93*	$397,612.62	$403,72
Michigan Bell Telephone Company:							
1. Yield to A. T. & T. Co. on book value of stock holdings	6.37%	7.90%	7.93%	7.93%	7.93%	7.96%	7
2. Cost of Funds to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6
3. Per cent of Profit to A. T. & T. Co.	.50%*	1.05%	1.00%	1.10%	1.07%	1.41%	
4. Amount of Profit to A. T. & T. Co. on stoke holdings	$102,179.89*	$348,785.95	$504,052.10	$554,424.31	$539,290.26	$1,204,164.11	$1,221,23
Mountain States Telephone Co.:							
1. Yield to A. T. & T. Co. on book value of stock holdings	7.00%	7.00%	7.00%	6.91%	7.63%	7.63%	
2. Cost of Funds to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6
3. Per cent of Profit to A. T. & T. Co.	.13%	.15%	.07%	.08%	.77%	1.08%	
4. Amount of Profit to A. T. & T. Co. on stock holdings	$36,412.70	$42,014.66	$19,606.84	$23,491.97	$226,110.22	$317,141.60	$323.01
[fol. 5905]							
New England Tel. & Tel. Co.:							
1. Yield to A. T. & T. Co. on book value of stock holdings	7.11%	7.24%	5.46%	7.55%	7.59%	7.59%	
2. Cost of Funds to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	
3. Per cent of Profit to A. T. & T. Co	.24%	.39%	1.47%*	.72%	.73%	1.04%	
4. Amount of Profit to A. T. & T. Co. on stock holdings	$104,029.44	$197,403.80	$788,864.49*	$516,967.65	$527,435.55	$751,415.04	$765.86
New Jersey Bell Telephone Co.:							
1. Yield to A. T. & T. Co. on book value of stock holdings						7.04%	
2. Cost of Funds to A. T. & T. Co						6.55%	
3. Per cent of Profit to A. T. & T. Co.						.49%	
4. Amount of Profit to A. T. & T. Co. on stock holdings						$335,063.43	$581.71
New York Telephone Company:							
1. Yield to A. T. & T. Co. on book value of stock holdings	6.76%	6.76%	6.76%	7.39%	7.39%	7.39%	
2. Cost of Funds to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	
3. Per cent of Profit to A. T. & T. Co.	.11%*	.09%*	.17%*	.56%	.53%	.84%	
4. Amount of Profit to A. T. & T. Co. on stock holdings	$266,411.20*	$217,972.80*	$411,726.40*	$1,700,041.28	$1,608,975.78	$2,550,074.81	$2,610,79
Northwestern Bell Telephone Company:							
1. Yield to A. T. & T. Co. on book value of stock holdings	6.22%	8.29%	8.21%	7.87%	7.87%	7.87%	
2. Cost of Funds to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	
3. Per cent of Profit to A. T. & T. Co.	.65%*	1.44%	1.28%	1.04%	1.01%	1.32%	
4. Amount of Profit to A. T. & T. Co. on stock holdings	$642,336.20*	$585,606.34	$739,898.97	$686,810.70	$666,998.85	$871,721.27	$884,9
Ohio Bell Telephone Company:							
Common Stock:							
1. Yield to A. T. & T. Co. on book value of stock holdings	1.21%	3.64%	7.07%	6.33%	5.99%	7.00%	
2. Cost of Funds to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	
3. Per cent of Profit to A. T. & T. Co.	5.66%*	3.21%*	.14%	.50%*	.87%*	.45%	
4. Amount of Profit to A. T. & T. Co. on stock holdings	$1,330,940.29*	$754,316.13*	$39,198.52	$225,099.48*	$435,357.99*	$337,685.39	$417,3
Preferred Stock:							
1. Yield to A. T. & T. Co. on book value of stock holdings	7.36%	7.11%	6.91%	6.88%	6.88%	6.88%	

it to A. T. & T. Co.								
it to A. T. & T. Co. on stock holdings								
Company:								
: T. Co. on book value of stock holdings	7.15%	7.13%	7.26%	7.34%	7.53%	7.62%	7.62%	7.67%
o A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
it to A. T. & T. Co.	.28%	.28%	.33%	.51%	.67%	1.07%	1.09%	1.42%
t to A. T. & T. Co. on stock holdings	$185,950.22	$209,584.92	$251,929.49	$440,285.49	$616,990.16	$1,224,743.03	$1,247,650.55	$1,907,569.91
Company:								
T. Co. on book value of stock holdings	0.00%	0.00%	0.00%	3.91%	6.36%	7.85%	7.85%	7.85%
› A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
t to A. T. & T. Co.	6.87%*	6.85%*	6.93%*	2.92%*	.50%*	1.30%	1.32%	1.60%
t to A. T. & T. Co. on stock holdings	$829,969.65*	$827,550.00*	$1,273,351.05*	$805,499.11*	$137,927.93*	$397,612.62	$403,729.73	$489,369.38
e Company:								
T. Co. on book value of stock holdings	6.37%	7.90%	7.93%	7.93%	7.93%	7.96%	7.96%	4.98%
› A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
t to A. T. & T. Co.	.50%*	1.05%	1.00%	1.10%	1.07%	1.41%	1.43%	1.27%*
to A. T. & T. Co. on stoke holdings	$102,179.89*	$348,785.95	$504,052.10	$554,424.31	$539,290.26	$1,204,164.11	$1,221,237.30	$1,275,082.67*
one Co.:								
T. Co. on book value of stock holdings	7.00%	7.06%	7.00%	6.91%	7.63%	7.63%	7.63%	7.69%
A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
to A. T. & T. Co.	.13%	.15%	.07%	.08%	.77%	1.08%	1.10%	1.44%
to A. T. & T. Co. on stock holdings	$36,412.70	$42,014.66	$19,606.84	$23,491.97	$226,110.22	$317,141.60	$323,014.59	$508,882.72
. Co.:								
T. Co. on book value of stock holdings	7.11%	7.24%	5.46%	7.55%	7.59%	7.59%	7.59%	7.57%
A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
to A. T. & T. Co.	.24%	.39%	1.47%*	.72%	.73%	1.04%	1.06%	1.32%
to A. T. & T. Co. on stock holdings	$104,029.44	$197,403.80	$788,864.49*	$516,967.65	$527,435.55	$751,415.04	$765,865.33	$1,088,210.31
ne Co.:								
T. Co. on book value of stock holdings						7.04%	7.04%	7.04%
A. T. & T. Co.						6.55%	6.53%	6.25%
to A. T. & T. Co.						.49%	.51%	.79%
to A. T. & T. Co. on stock holdings						$335,663.43	$581,718.16	$901,092.83
npany:								
. Co. on book value of stock holdings	6.76%	6.76%	6.76%	7.39%	7.39%	7.39%	7.39%	7.44%
A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.55%	6.25%
o A. T. & T. Co.	.11%*	.09%*	.17%*	.56%	.53%	.84%	.86%	1.19%
o A. T. & T. Co. on stock holdings	$266,411.20*	$217,922.80*	$411,726.40*	$1,700,041.28	$1,608,975.78	$2,550,074.81	$2,610,790.88	$3,893,297.24
one Company:								
. Co. on book value of stock holdings	6.22%	8.29%	8.21%	7.87%	7.87%	7.87%	7.87%	7.87%
. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
o A. T. & T. Co.	.65%*	1.44%	1.28%	1.04%	1.01%	1.32%	1.34%	1.62%
› A. T. & T. Co. on stock holdings	$642,336.20*	$585,606.34	$739,898.97	$686,810.70	$666,998.85	$871,721.27	$884,929.17	$1,069,839.74
any:								
Co. on book value of stock holdings	1.21%	3.64%	7.07%	6.33%	5.99%	7.00%	7.00%	6.25%
T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
› A. T. & T. Co.	5.66%*	3.21%*	.14%	.50%*	.87%*	.45%	.47%	0.00%
A. T. & T. Co. on stock holdings	$1,330,040.29*	$754,316.13*	$39,198.52	$225,099.48*	$435,357.99*	$337,685.39	$417,318.87	
Co. on book value of stock holdings	7.36%	7.11%	6.91%	6.88%	6.88%	6.88%	6.88%	6.87%

3. Per cent of Profit to A. T. & T. Co.							
4. Amount of Profit to A. T. & T. Co. on stock holdings	$77,632.13	$41,387.56	$3,160.80*	$7,883.02	$3,152.20	$51,774.15	$54,839.91
[fol. 5906]							
Pacific Telephone & Telegraph Co.:							
Common Stock:							
1. Yield to A. T. & T. Co. on book value of stock holdings	0.00%	0.00%	6.54%	7.63%	7.39%	7.33%	7.33
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53
3. Per cent of Profit to A. T. & T. Co.	6.87%*	6.85%*	39%*	.80%	.53%	.78%	.80
4. Amount of Profit to A. T. & T. Co. on stock holdings	$205,012.82*	$219,900.48*	$136,597.00*	$280,171.42	$345,712.16	$588,358.35	$603,649.59
Preferred Stock:							
1. Yield to A. T. & T. Co. on book value of stock holdings	6.45%	6.54%	6.58%	6.87%	6.87%	6.87%	6.87
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53
3. Per cent of Profit to A. T. & T. Co.	.42%*	.31%*	.35%*	.04%	.01%	.32%	.34
4. Amount of Profit to A. T. & T. Co. on stock holdings	$165,622.67*	$158,412.12*	$204,390.67*	$22,381.24	$5,595.31	$170,049.96	$190,240.58
Southern Bell Telephone Co.:							
1. Yield to A. T. & T. Co. on book value of stock holdings	8.22%	8.40%	8.40%	7.94%	7.85%	7.86%	7.88
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53
3. Per cent of Profit to A. T. & T. Co.	1.35%	1.55%	1.47%	1.11%	.99%	1.31%	1.35
4. Amount of Profit to A. T. & T. Co. on stock holdings	$480,650.37	$664,357.82	$630,068.39	$845,003.05	$958,442.57	$1,333,740.88	$1,627,585.73
Southern New England Tel. Co.:							
1. Yield to A. T. & T. Co. on book value of stock holdings	7.63%	7.68%	7.70%	7.72%	7.74%	7.77%	7.79
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53
3. Per cent of Profit to A. T. & T. Co.	.76%	.83%	.77%	.89%	.88%	1.22%	1.26
4. Amount of Profit to A. T. & T. Co. on stock holdings	$47,832.15	$60,540.23	$60,038.09	$76,830.98	$84,900.89	$131,941.32	$150,973.15
Southwestern Bell Telephone Co.:							
1. Yield to A. T. & T. Co. on book value of stock holdings	8.43%	8.43%	8.43%	8.06%	7.75%	7.79%	7.82
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53
3. Per cent of Profit to A. T. & T. Co.	1.56%	1.56%	1.50%	1.23%	.89%	1.24%	1.29
4. Amount of Profit to A. T. & T. Co. on stock holdings	$1,110,134.78	$1,124,367.28	$1,067,437.29	$1,052,916.73	$918,952.39	$1,528,338.15	$1,847,954.05
Wisconsin Telephone Co.:							
1. Yield to A. T. & T. Co. on book value of stock holdings	7.39%	7.56%	7.65%	7.30%	6.97%	8.04%	7.11
2. Cost of Funds to A. T. & T. Co.	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53
3. Per cent of Profit to A. T. & T. Co.	.52%	.71%	.72%	.47%	.11%	.49%	.58
4. Amount of Profit to A. T. & T. Co. on stock holdings	$61,910.98	$119,890.30	$147,282.90	$110,167.51	$27,677.47	$131,314.29	$167,468.24
Total—All Licensee Companies:							
4. Total Amount of Profit to A. T. & T. Co. on Stock Holdings	$1,599,965.72*	$948,646.41	$1,000,968.79	$5,823,638.44	$6,540,468.65*	$13,172,269.29	$14,490,776.06
[fol. 5907]							
Total—All Licensee Companies Exclusive of Ill. Bell. Tel. Co.:							
4. Total amount of Profit to A. T. & T. Co. on stock holdings	$1,785,915.94*	$739,061.49	$749,039.30	$5,383,352.95	$5,923,478.49	$11,947,526.26	$13,243,125.5

* Red Figures (Losses).

NOTE.—Unless otherwise specifically designated, "A. T. & T. holdings" refer to common stock.

(a) "Cost of funds to A. T. & T. Co." is the annual amount which the A. T. & T. Co. represents was paid by it currently on funds used in its business which were derived from its funded and other indebtedness, and from its capital and surplus. The annual cost of funds includes dividends paid by the A. T. & T. Co. at the rate of 8% for the year 1920 and for the first six months of 1921, and at the rate of 9% thereafter. The cost, as used above, was translated into a percentage of the funds.

(b) Profit or loss to A. T. & T. Co., as herein used, is the amount received by A. T. & T. Co. in excess of or less than its cost of funds as defined above.

Profit to A. T. & T. Co.								
ofit to A. T. & T. Co. on stock holdings	$77,632.13	$41,387.56	$3,760.86*	$7,883.02	$3,152.20	$51,774.15	$54,839.91	$97,915.51
Telegraph Co.:								
& T. Co. on book value of stock holdings	0.00%	0.00%	6.54%	7.63%	7.39%	7.33%	7.33%	7.19%
to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
ofit to A. T. & T. Co	6.87%*	6.85%*	.39%*	.80%	.53%	.78%	.80%	.94%
ofit to A. T. & T. Co. on stock holdings	$205,012.82*	$219,900.48*	$136,597.00*	$280,171.42	$345,712.16	$588,558.35	$603,649.59	$1,213,674.88
& T. Co. on book value of stock holdings	6.45%	6.54%	6.58%	6.87%	6.87%	6.87%	6.87%	6.87%
to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
ofit to A. T. & T. Co	.42%*	.31%*	.35%*	.04%	.01%	.32%	.34%	.62%
ofit to A. T. & T. Co. on stock holdings	$165,622.67*	$158,412.12*	$204,390.67*	$22,381.24	$5,595.31	$179,049.96	$180,240.58	$346,909.29
ne Co.:								
& T. Co. on book value of stock holdings	8.22%	8.40%	8.40%	7.94%	7.85%	7.86%	7.88%	7.89%
to A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
fit to A. T. & T. Co	1.35%	1.55%	1.47%	1.11%	.99%	1.31%	1.35%	1.64%
fit to A. T. & T. Co. on stock holdings	$480,650.37	$664,357.82	$630,068.39	$845,003.05	$958,442.57	$1,333,740.88	$1,627,585.73	$2,079,778.55
l Tel. Co.:								
& T. Co. on book value of stock holdings	7.63%	7.68%	7.70%	7.72%	7.74%	7.77%	7.79%	7.80%
o A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
fit to A. T. & T. Co	.76%	.83%	.77%	.89%	.88%	1.22%	1.26%	1.55%
it to A. T. & T. Co. on stock holdings	$47,832.15	$60,540.23	$60,038.09	$76,830.98	$84,900.89	$131,941.32	$150,973.15	$192,181.34
phone Co.:								
& T. Co. on book value of stock holdings	8.43%	8.43%	8.43%	8.06%	7.75%	7.79%	7.82%	7.84%
o A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
it to A. T. & T. Co	1.56%	1.56%	1.50%	1.23%	.89%	1.24%	1.29%	1.59%
t to A. T. & T. Co. on stock holdings	$1,110,134.78	$1,124,367.28	$1,067,437.29	$1,052,916.73	$918,952.39	$1,528,388.15	$1,847,954.05	$2,516,206.45
o.:								
T. Co. on book value of stock holdings	7.39%	7.56%	7.65%	7.30%	6.97%	8.04%	7.11%	7.17%
A. T. & T. Co	6.87%	6.85%	6.93%	6.83%	6.86%	6.55%	6.53%	6.25%
t to A. T. & T. Co	.52%	.71%	.72%	.47%	.11%	.49%	.58%	.92%
t to A. T. & T. Co. on stock holdings	$61,910.98	$149,890.30	$147,282.90	$110,167.51	$27,677.47	$131,314.29	$167,468.24	$287,259.28
panies:								
Profit to A. T. & T. Co. on Stock Holdings	$1,599,965.72*	$948,646.41	$1,000,968.79	$5,823,638.44	$6,540,468.65	$13,172,269.29	$14,490,776.06	$17,136,008.97
panies Exclusive of Ill. Bell. Tel. Co.:								
Profit to A. T. & T. Co. on stock holdings	$1,785,915.94*	$739,061.49	$749,039.30	$5,383,352.95	$5,923,478.49	$11,947,526.26	$13,243,125.51	$15,228,439.06

* Red Figures (Losses).

NOTE.—Unless otherwise specifically designated, "A. T. & T. holdings" refer to common stock.

(a) "Cost of funds to A. T. & T. Co." is the annual amount which the A. T. & T. Co. represents was paid by it currently on funds used in its business which were derived from its funded and other indebtedness, and from its capital and surplus. The annual cost of funds includes dividends paid by the A. T. & T. Co. at the rate of 8% for the year 1920 and for the first six months of 1921, and at the rate of 9% thereafter. The cost, as used above, was translated into a percentage of the funds.

(b) Profit or loss to A. T. & T. Co., as herein used, is the amount received by A. T. & T. Co. in excess of or less than its cost of funds as defined above.

EXHIBIT X-136

American Telephone and Telegraph Company

Percentage Relationships of Average Investments in Capital Stocks of Licensee Companies and in Loans to Licensee Companies to Total Average Investments (Stock and Loans) in Licensee Companies, Years Ended December 31, 1920 to 1922, Inclusive

	Year ended Dec. 31, 1920	Year ended Dec. 31, 1921	Year ended Dec. 31, 1922
Bell Telephone Company of Pennsylvania (a):			
Average A. T. & T. stock holdings—Book Value	80.59%	100.00%	100.00%
Average Loans	19.41%	.....	.....
Central Union Telephone Company:			
Average A. T. & T. stock holdings—Book Value	7.92%	.....	.....
Average Loans	92.00%	.....	.....
Chesapeake and Potomac Telephone Companies:			
Average A. T. & T. stock holdings—Book Value	.....	.....	64.45%
Average Loans	100.00%	100.00%	35.55%
Cincinnati and Suburban Bell Telephone Company:			
Average A. T. & T. stock holdings—Book Value	100.00%	100.00%	100.00%
Cumberland Telephone and Telegraph Company:			
Average Loans	100.00%	100.00%	100.00%
Illinois Bell Telephone Company:			
Average A. T. & T. stock holdings—Book Value	96.83%	94.14%	98.70%
Average Loans	3.17%	5.86%	1.30%
Indiana Bell Telephone Company:			
Average A. T. & T. stock holdings—Book Value	35.16%	47.55%	46.75%
Average Loans	64.84%	52.45%	53.25%

(a) Including Associated Companies.

EXHIBIT X-136—Continued

American Telephone and Telegraph Company

Percentage Relationships of Average Investments in Capital Stocks of Licensee Companies and in Loans to Licensee Companies to Total Average Investments (Stock and Loans) in Licensee Companies, Years Ended December 31, 1920 to 1922, Inclusive

	Year ended Dec. 31, 1920	Year ended Dec. 31, 1921	Year ended Dec. 31, 1922
Michigan State Telephone Company:			
Average A. T. & T. stock holdings—Book Value—Common	24.01%	21.18%	24.34%
Average A. T. & T. stock holdings—Book Value—Preferred	7.24%	6.62%	7.79%
Average Loans	68.75%	72.20%	67.87%
Mountain States Telephone Company:			
Average A. T. & T. stock holdings—Book Value	94.64%	90.99%	88.23%
Average Loans	5.36%	9.01%	11.77%
New England Telephone and Telegraph Company (a):			
Average A. T. & T. stock holdings—Book Value	99.18%	85.14%	86.31%
Average Loans	.82%	14.86%	13.69%
[fol. 5909]			
New York Telephone Company:			
Average A. T. & T. stock holdings—Book Value	89.35%	80.05%	93.52%
Average Loans	10.65%	19.95%	6.48%
Northwestern Bell Telephone Company:			
Average A. T. & T. stock holdings—Book Value	36.06%	78.91%	89.28%
Average Loans	63.94%	21.09%	10.72%
Ohio Bell Telephone Company:			
Average A. T. & T. stock holdings—Book Value—Common	58.66%	50.29%	51.36%
Average A. T. & T. stock holdings—Book Value—Preferred		1.61%	35.51%
Average Loans	41.34%	48.10%	13.13%

Pacific Telephone and Telegraph Company (a):			
Average A. T. & T. stock holdings—Book Value—Common	6.04%	6.57%	5.93%
Average A. T. & T. stock holdings—Book Value—Preferred	70.10%	59.88%	66.58%
Average Loans	23.86%	33.55%	27.49%
Southern Bell Telephone Company:			
Average A. T. & T. stock holdings—Book Value	88.90%	76.28%	67.44%
Average Loans	11.10%	28.72%	32.56%
Southern New England Telephone Company:			
Average A. T. & T. stock holdings—Book Value	68.51%	72.67%	68.24%
Average Loans	31.49%	27.33%	31.76%
Southwestern Bell Telephone Company (a):			
Average A. T. & T. stock holdings—Book Value	64.13%	66.89%	69.57%
Average Loans	35.87%	33.11%	30.43%
Wisconsin Telephone Company:			
Average A. T. & T. stock holdings—Book Value	89.12%	76.53%	83.12%
Average Loans	10.88%	23.47%	16.88%
Total All Licensee Companies:			
Average A. T. & T. stock holdings—Book Value—Common	68.99%	70.31%	75.32%
Average A. T. & T. stock holdings—Book Value—Preferred	3.83%	3.50%	6.45%
Average Loans	27.18%	26.19%	18.23%
Total All Licensee Companies Exclusive of Ill. Bell Tel. Co.:			
Average A. T. & T. stock holdings—Book Value—Common	66.76%	68.38%	73.44%
Average A. T. & T. stock holdings—Book Value—Preferred	4.14%	3.79%	6.97%
Average Loans	29.10%	27.83%	19.59%

NOTE.—All figures and computations herein refer only to stock actually issued. Unless otherwise specifically designated "A. T. & T. Stock Holdings" refer to common stock.

(a) Including Associated Companies.

(Here follow side folios 5910 and 5911)

[fol. 5910]

American Telephone and Telegraph Company

Percentage Relationships of Average Investments in Capital Stocks of Licensee Companies and in Loans to Licensee Companies to Total Average Investments (Stock and Loans) in Licensee Companies, Years Ended December 31, 1923 to 1930, Inclusive

	Year ended Dec. 31, 1923	Year ended Dec. 31, 1924	Year ended Dec. 31, 1925	Year ended Dec. 31, 1926	Year ended Dec. 31, 1927	Year ended Dec. 31, 1928	Year ended Dec. 31, 1929	Year ended Dec. 31, 1930
Bell Telephone Company of Pennsylvania (b):								
Average A. T. & T. stock holdings—Book Value	71.44%	66.99%	77.61%	100.00%	93.26%	99.05%	91.10% (c)	87.86% (c)
Average Loans	28.56%	33.01%	22.39%	.....	6.74%	.95%	8.90%	12.14%
Chesapeake and Potomac Telephone Companies (b):								
Average A. T. & T. stock holdings—Book Value	87.70%	91.91%	81.63%	75.13%	95.34%	90.40%	85.21%	79.09%
Average Loans	12.30%	8.09%	18.37%	24.87%	4.66%	9.60%	14.79%	20.91%
Cincinnati and Suburban Bell Telephone Company:								
Average A. T. & T. stock holdings—Book Value	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cumberland Telephone and Telegraph Company:								
Average A. T. & T. stock holdings—Book Value	47.87%	67.64%	71.50%	.....	.....	.....	.....	.....
Average Loans	52.13%	32.36%	28.50%	100.00%	.....	.....	.....	.....
Illinois Bell Telephone Company:								
Average A. T. & T. stock holdings—Book Value	99.70%	100.00%	97.05%	92.62%	96.09%	96.16%	90.22%	99.59%
Average Loans	.30%	.....	2.95%	7.38%	3.91%	3.84%	9.78%	.41%
Indiana Bell Telephone Company:								
Average A. T. & T. stock holdings—Book Value	42.38%	40.46%	53.15%	80.79%	80.93%	89.73%	89.73%	85.04%
Average Loans	57.62%	59.54%	46.85%	19.21%	19.07%	10.27%	10.27%	14.96%
Michigan Bell Telephone Company:								
Average A. T. & T. stock holdings—Book Value	49.33%	61.62%	81.73%	67.21%	56.70%	81.66%	69.29%	74.37%
Average Loans	50.67%	38.38%	18.27%	32.79%	43.30%	18.34%	30.71%	25.63%
Mountain States Telephone Company:								
Average A. T. & T. stock holdings—Book Value	88.98%	94.84%	95.81%	95.53%	95.18%	86.72%	67.89%	74.14%
Average Loans	11.02%	5.16%	4.19%	4.47%	4.82%	13.28%	32.11%	25.86%
New England Telephone and Telegraph Company:								
Average A. T. & T. stock holdings—Book Value	92.65%	71.82%	58.60%	84.67%	100.00%	95.82%	89.52%	88.04%
Average Loans	7.35%	28.18%	41.40%	15.33%	.....	4.18%	10.48%	11.96%
New Jersey Bell Telephone Company:								
Average A. T. & T. stock holdings—Book Value	.....	.....	.....	.....	.....	72.00%	86.44%	78.62%
Average Loans	.....	.....	.....	.....	100.00%	28.00%	13.56%	21.38%
New York Telephone Company:								
Average A. T. & T. stock holdings—Book Value	96.37%	86.84%	80.39%	88.89%	86.56%	94.43%	93.05%	87.50%
Average Loans	3.63%	13.16%	19.61%	11.11%	13.44%	5.57%	6.95%	12.50%
[fol. 5911]								
Northwestern Bell Telephone Company:								
Average A. T. & T. stock holdings—Book Value	100.00%	100.00%	92.76%	96.26%	99.89%	99.16%	95.41%	75.37%
Average Loans	.....	.....	7.24%	3.74%	.11%	.84%	4.59%	24.63%
Ohio Bell Telephone Company:								
Average A. T. & T. stock holdings—Book Value—Common	48.08%	44.96%	48.64%	63.12%	57.45%	77.85%	82.24%	79.97%
Average A. T. & T. stock holdings—Book Value—Preferred	32.42%	30.45%	27.45%	22.11%	18.10%	16.28%	14.51%	12.62%
Average Loans	19.50%	24.59%	23.91%	14.77%	24.45%	5.87%	3.25%	7.41%
Pacific Telephone and Telegraph Company (b):								
Average A. T. & T. stock holdings—Book Value—Common	5.55%	3.66%	27.36%	25.50%	41.76%	43.63%	38.71%	58.24%
Average A. T. & T. stock holdings—Book Value—Preferred	73.32%	58.21%	45.62%	40.74%	35.83%	32.35%	28.70%	25.24%
Average Loans	21.13%	38.13%	27.02%	33.76%	22.41%	24.02%	32.59%	16.52%
Southern Bell Telephone Company:								
Average A. T. & T. stock holdings—Book Value	76.50%	95.03%	94.58%	91.30% (a)	86.93%	84.48%	82.02%	99.71%
Average Loans	23.50%	4.97%	5.42%	8.70%	13.07%	15.52%	17.98%	.29%
Southern New England Telephone Company:								

Pacific Telephone and Telegraph Company (b):								
Average A. T. & T. stock holdings—Book Value—Common	5.55%	3.66%	27.36%	25.50%	41.76%	43.63%	38.71%	58.24%
Average A. T. & T. stock holdings—Book Value—Preferred	73.32%	58.21%	45.62%	40.74%	35.83%	32.35%	28.70%	25.24%
Average Loans	21.13%	38.13%	27.02%	33.76%	22.41%	24.02%	32.59%	16.52%
Southern Bell Telephone Company:								
Average A. T. & T. stock holdings—Book Value	76.50%	95.03%	94.58%	91.30% (a)	86.93%	84.48%	82.02%	99.71%
Average Loans	23.50%	4.97%	5.42%	8.70%	13.07%	15.52%	17.98%	.29%
Southern New England Telephone Company:								
Average A. T. & T. stock holdings—Book Value	77.05%	79.77%	69.95%	71.47%	77.90%	67.93%	70.97%	64.32%
Average Loans	22.95%	20.23%	30.05%	28.53%	22.10%	32.07%	29.03%	35.68%
Southwestern Bell Telephone Company (b):								
Average A. T. & T. stock holdings—Book Value	80.17%	93.17%	100.00%	92.83%	91.22%	93.08%	96.38%	93.76%
Average Loans	19.83%	6.83%	.....	7.17%	8.78%	6.92%	3.62%	6.24%
Wisconsin Telephone Company:								
Average A. T. & T. stock holdings—Book Value	78.49%	97.09%	98.14%	99.36%	97.25%	91.98%	97.78%	81.37%
Average Loans	21.51%	2.91%	1.86%	.64%	2.75%	8.02%	2.22%	18.63%
Total All Licensee Companies:								
Average A. T. & T. stock holdings—Book Value—Common	78.58%	75.23%	74.55%	79.97%	81.29%	84.75%	86.10%	82.77%
Average A. T. & T. stock holdings—Book Value—Preferred	6.58%	6.73%	6.18%	5.44%	5.04%	4.50%	4.04%	3.64%
Average Loans	14.84%	18.04%	19.27%	14.59%	13.67%	10.75%	13.86%	13.59%
Total All Licensee Companies Exclusive of Ill. Bell Tel. Co.:								
Average A. T. & T. stock holdings—Book Value—Common	76.76%	73.22%	72.98%	79.01%	80.22%	83.82%	81.48%	81.53%
Average A. T. & T. stock holdings—Book Value—Preferred	7.15%	7.27%	6.61%	5.85%	5.41%	4.87%	4.35%	3.91%
Average Loans	16.09%	19.51%	20.41%	15.14%	14.37%	11.31%	14.17%	14.56%

NOTE.—All figures and computations herein refer only to stock actually issued. Unless otherwise specifically designated "A. T. & T. Stock Holdings" refer to common stock.

(a) Includes stock of Cumberland Telephone and Telegraph Company during portion of year 1926, which was exchanged for stock of Southern Bell Telephone Company.
(b) Including Associated Companies.
(c) Includes Diamond State Telephone Company.

[fol. 5912]

EXHIBIT X-146

American Telephone and Telegraph Company

Return from License Contract Operations with Illinois Bell Telephone Company in Excess of the Average Return from License Contract Operations with Other Licensee Companies During Years 1920 to 1922, Inclusive

	Year ended Dec. 31, 1920	Year ended Dec. 31, 1921	Year ended Dec. 31, 1922
(1) Return from License Contract Operations with Illinois Bell Telephone Co	14.50%	15.47%	9.67%
(2) Return from License Contract Operations with Other Licensee Companies	8.47%	8.02%	7.95%
(3) Per Cent of Return from Other Licensee Companies to Return from Illinois Bell Telephone Company (Item 2 Divided by Item 1)	58.41%	51.84%	82.21%
(4) Amount of Return from License Contract Operations with Illinois Bell Telephone Company	$723,666	$1,025,035	$1,138,666
(5) Amount of Return from License Contract Operations with Illinois Bell Telephone Company Reduced to Basis of Average Return from Other Licensee Companies (Item 3 Times Item 4)	422,693	531,378	936,097
(6) Excess of Return from Illinois Bell Telephone Company over Return Based on Average of Other Licensee Companies	300,973	493,657	202,569

[fol. 5913] American Telephone and Telegraph Company

Return from License Contract Operations with Illinois Bell Telephone Company in Excess of the Average Return From License Contract Operations with Other Licensee Companies During Years 1923 to 1927, Inclusive

	Year ended Dec. 31, 1923	Year ended Dec. 31, 1924	Year ended Dec. 31, 1925	Year ended Dec. 31, 1926	Year ended Dec. 31, 1927
(1) Return from License Contract Operations with Illinois Bell Telephone Company	18.84%	18.94%	12.98%	9.67%	11.08%
(2) Return from License Contract Operations with Other Licensee Companies	8.57%	8.15%	8.16%	7.94%	8.64%
(3) Per Cent of Return from Other Licensee Companies to Return from Illinois Bell Telephone Company (Item 2 Divided by Item 1)	45.49%	43.03%	62.87%	82.11%	77.98%
(4) Amount of Return from License Contract Operations with Illinois Bell Telephone Company	$1,007,964	$1,060,190	$1,341,187	$1,443,828	$1,421,516
(5) Amount of Return from License Contfact Operations with Illinois Bell Telephone Company Reduced to Basis of Average Return from Other Licensee Companies (Item 3 Times Item 4)	458,523	456,200	843,204	1,185,527	1,108,498
(6) Excess of Return from Illinois Bell Telephone Company over Return Based on Average of Other Licensee Companies	549,441	603,990	497,983	258,301	313,018

[fol. 5914] American Telephone and Telegraph Company

Cost of Other Services Charged to License Contract Operations Paid by Illinois Bell Telephone Company in Excess of the Average Payment of Cost of Other Services by Other Licensee Companies During Years 1928 to 1930, Inclusive

	Year ended Dec. 31, 1928	Year ended Dec. 31, 1929	Year ended Dec. 31, 1930
(1) Balance of License Payment Available for Other Services—Illinois Bell Telephone Company.	$1,214,061	$1,101,615	$990,131
(2) Cost of Other Services—Illinois Bell Telephone Company	1,324,147	1,435,971	1,748,997
(3) Per Cent of Other Services Paid by Illinois Bell Telephone Company	91.69%	76.72%	56.61%
(4) Balance of License Payment Available for Other Services—Other Licensee Companies	12,061,412	9,189,998	7,928,483
(5) Cost of Other Services—Other Licensee Companies	13,254,122	14,055,195	17,128,494
(6) Per Cent of Other Services Paid by Other Licensee Companies	91.00%	65.39%	46.29%
(7) Other Services Paid by Illinois Bell Telephone Company on Basis of Other Licensee Companies (Item 2 Times Item 6)	1,204,974	938,981	809,611
(8) Excess of Actual Payment of Other Services by Illinois Bell Telephone Company Over Average Payment of Other Licensee Companies (Item 1 Minus Item 7)	9,087	162,634	180,520

(Here follows side folio 5915)

[fol. 5915]

EXHIBIT X-147

American Telephone and Telegraph Company

Return from License Contract Operations under Present Rates and Under Attacked Rates with Illinois Bell Telephone Company, Chicago Division, in Excess of the Average Return from License Contract Operations with Other Licensee Companies During Years 1923 to 1930, Inclusive

	Year ended Dec. 31, 1923	Year ended Dec. 31, 1924	Year ended Dec. 31, 1925	Year ended Dec. 31, 1926	Year ended Dec. 31, 1927	Year ended Dec. 31, 1928	Year ended Dec. 31, 1929	Year ended Dec. 31, 1930
(1) Return under Present Revenues from Illinois Bell Telephone Co., Entire Company, in Excess of Average Return from Other Licensee Companies	$549,441	$603,990	$497,983	$258,301	$313,018	$9,087	$162,634	$180,520
(2) Decrease in Return from Illinois Bell Telephone Company, Due to Reduction in Revenues on Account of Attacked Rates	24,746	98,330	96,467	90,924	87,952	43,614	33,692	33,039
(3) Return under Attacked Rates from Illinois Bell Telephone Company, Entire Company, in Excess of Average Return from Other License Companies	524,695	505,660	401,516	167,377	225,066	34,527*	128,942	147,481
(4) Return under Present Revenues from Illinois Bell Telephone Co., Entire Company, in Excess of Average Return from Other Licensee Companies, Prorated to Chicago Division and Groups Therein on Basis of License Payments: (a)								
Total Chicago Division	407,960	447,194	362,781	186,287	223,526	6,440	116,023	128,909
Chicago Division Intrastate	396,916	433,665	350,680	179,364	214,480	6,109	105,127	116,363
Chicago Division Intrastate Exchange	379,389	413,190	332,354	168,800	201,208	5,716	98,085	108,493
(5) Return under Attacked Rates from Illinois Bell Telephone Co., Entire Company, in Excess of Average Return from Other Licensee Companies, Prorated to Chicago Division and Groups Therein—(Item 4 Minus Item 2):								
Total Chicago Division	383,214	348,864	266,314	95,363	135,574	37,174*	82,331	95,870
Chicago Division Intrastate	372,170	335,335	254,213	88,440	126,528	37,505*	71,435	83,324
Chicago Division Intrastate Exchange	354,643	314,860	235,887	77,876	113,256	37,898*	64,393	75,454

* Red Figures.

(a) License Payments of Chicago Division Intrastate and Chicago Division Intrastate Exchange Were Taken from Defendants' Interstate Separation.

[fol. 5916] EXHIBIT X-152

American Telephone and Telegraph Company

Composite of Estimated Requirements, Plant Investment and Gross Additions % Long Lines of Associated Operating Companies and Long Lines (Basis of Plaintiff's Exhibit A-169), Years 1923 to 1931

	Estimated requirements (1)	Plant investment (2)	Gross additions (3)	Composite of cols. (1), (2) and (3) (4)
1923	7.9	6.2	4.5	6.2
1924	3.6	6.3	4.7	5.5
1925	4.9	6.1	5.2	5.4
1926	9.7	5.9	8.1	7.9
1927	13.8	6.4	8.9	9.7
1928	18.7	7.1	11.2	12.3
1929	22.7	7.9	15.2	15.3
1930	24.1	9.3	16.3	16.6
1931	23.5	9.9	10.7	14.7

Composite of Estimated Requirements, Plant Inestment and Gross Additions % Chicago Area of Associated Operating Companies (Basis of Plaintiff's Exhibit A-169), Years 1923 to 1931

	Estimated requirements (1)	Plant investment (2)	Gross additions (3)	Composite of cols. (1), (2) and (3), (4)
1923	2.7	5.9	4.2	4.3
1924	2.9	5.6	4.7	4.4
1925	4.6	5.4	5.7	5.2
1926	5.7	5.5	5.7	5.6
1927	7.2	5.5	6.4	6.4
1928	7.7	5.5	6.2	6.5
1929	4.1	5.6	5.0	4.9
1930	5.4	5.4	4.5	5.1
1931	5.2	5.3	3.6	4.7

[fol. 5917]

American Telephone and Telegraph Company

Estimated Requirements (as Shown by Work Sheets of Plaintiff's Exhibit A-169), Years 1923-1931

Year	Associated companies and long lines (1)	Long lines (2)		Associated companies (3)	Illinois Bell Tel. Co. (4)	Chicago area (5)		
		Amount	% of col. (1)			% of col. (4) (a)	Amount	% of col. (3)
1923	$182,622,000	$14,344,000	7.9	$168,278,000	$6,600,000	69.1	$4,560,600	2.7
1924	256,535,000	14,311,000	5.6	242,224,000	10,080,000	69.5	7,005,600	2.9
1925	244,236,000	11,848,000	4.9	232,388,000	15,327,000	69.9	10,713,573	4.6
1926	213,219,000	20,667,000	9.7	192,552,000	15,612,000	70.0	10,928,400	5.7
1927	202,987,000	28,056,000	13.8	174,931,000	18,153,000	69.7	12,652,641	7.2
1928	214,233,000	40,108,000	18.7	174,125,000	19,400,000	69.1	13,405,400	7.7
1929	326,894,000	74,338,000	22.7	252,556,000	15,081,000	68.6	10,345,566	4.1
1930	391,959,739	94,359,000	24.1	297,600,739	23,624,000	68.0	16,064,320	5.4
1931	169,388,000	39,805,000	23.5	129,583,000	9,925,000	67.6	6,709,300	5.2

(a) Based on ratio of Plant—Chicago Area to Illinois Bell Telephone Company. Sources of Information—CR 13 (City Exhibit 142C).

(Here follows side folios 5918, 5919, 5920, and 5921)

K-219

EXHIBIT X-219

1-SHEET
1923-TO 1930

P-1

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

AVERAGE NUMBER OF STATIONS IN SERVICE OF EACH COMPANY RECEIVING LICENSE SERVICES AND THE CITY OF CHICAGO - YEARS 1923-1930, INCL.

	Year 1923	Year 1924	Year 1925	Year 1926	Year 1927	Year 1928	Year 1929	Year 1930
New England Tel. and Tel. Co.	967,804	1,040,646	1,089,630	1,111,470	1,151,096	1,176,406	1,207,393	1,247,471
Southern New England Tel. Co.	208,353	225,146	242,209	259,459	276,383	290,688	310,763	326,442
New York Telephone Company	1,944,095	2,146,501	2,353,196	2,512,385	2,572,641	2,389,736	2,558,534	2,628,919
New Jersey Bell Telephone Company	x x x	x x x	x x x	x x x	232,074	602,532	649,689	683,053
Bell Telephone Company of Pennsylvania	895,651	966,512	1,013,768	1,081,400	1,025,045	1,091,257	1,171,962	1,265,846
Diamond State Telephone Company	23,329	24,240	25,159	26,362	27,633	29,111	31,084	33,192
Ches.and Pot.Tel.Co.	104,861	112,068	121,014	130,654	139,115	146,132	154,479	162,669
Ches.and Pot.Tel.Co. of Baltimore City	154,135	164,579	171,479	180,710	189,423	194,065	203,398	212,564
Ches.and Pot.Tel.Co. of Virginia	100,322	105,643	111,530	116,205	119,892	125,453	132,624	143,884
Ches.and Pot.Tel.Co. of West Virginia	80,954	87,419	91,542	95,426	100,132	104,423	110,064	115,411
Southern Bell Tel. and Tel. Co.	563,905	636,112	741,097	808,859	874,137	928,518	980,412	1,003,983
Ohio Bell Telephone Company	492,979	500,937	520,241	545,348	585,262	622,544	684,092	715,677
Cincinnati and Suburban Bell Tel. Co.	135,340	145,207	154,231	160,612	167,321	175,465	183,569	186,257
Michigan Bell Telephone Company	372,145	439,817	478,728	525,576	567,711	605,725	658,782	681,976
Indiana Bell Telephone Company	178,265	178,789	182,786	189,311	194,448	199,868	217,312	228,207
Wisconsin Telephone Company	233,697	259,889	277,268	295,677	311,988	328,617	348,526	362,824
Illinois Bell Telephone Company (a)	938,517	1,017,856	1,090,075	1,169,251	1,252,670	1,331,613	1,407,805	1,445,657
Northwestern Bell Tel. Co.	502,646	529,652	548,137	556,354	581,139	594,447	627,155	654,970
Southwestern Bell Tel. Co. (b)	846,112	902,312	973,357	1,113,207	1,180,533	1,264,282	1,324,277	1,364,890

Illinois Bell Telephone Company . . . . . (a)	938,517	1,017,856	1,090,075	1,169,251	1,252,670	1,331,613	1,407,805	1,445,657
Northwestern Bell Tel. Co.	502,646	529,652	548,137	556,354	581,139	594,447	627,155	654,970
Southwestern Bell Tel. Co. . . . . (b)	846,112	902,312	973,357	1,113,207	1,180,533	1,264,282	1,324,277	1,364,890
Mountain States Tel. and Tel. Co.	329,425	340,526	354,788	369,802	383,740	400,036	423,268	439,878
Pacific Tel. and Tel. Co.	957,749	1,058,967	1,145,913	1,239,322	1,332,826	1,409,953	1,507,886	1,612,318
Bell Telephone Company of Canada	458,395	512,426	559,417	605,727	645,528	689,978	739,711	774,996
American Tel. and Tel. Co., Long Lines . (c)								
(a) Includes City of Chicago	665,060	714,938	761,971	815,485	873,221	917,904	963,998	984,357

(b) Includes Kansas City Telephone Co.

(c) Has no stations comparable with Associated Companies' stations.

Form 3102

EXHIBIT X-323

ILLINOIS BELL TELEPHONE COMPANY

MONT CLARE OFFICE

CHICAGO, ILLINOIS.

MANUAL AND PANEL MACHINE SWITCHING EQUIPMENT

COMPARATIVE COSTS AT 12-31-33 AND 12-31-45

	AT 12-31-33 (15 Chicago Offices Assumed Mach. Sw.)				AT 12-31-45 (Chicago Offices Assumed 100% Machine Switching)			
	PLAN I		PLAN II		PLAN I		PLAN II	
	New Manual Office		New Panel M.Sw. Office		New Manual Office		New Panel M.Sw. Office	
	8660 lines		8660 lines (2 full units)		17124 lines		17124 lines (3.7 units)	
FIRST COSTS								
1. App. and Install. Material	433 000		1002 900		944 000		1819 600	
2. Eng., Draft., Mrt., and Install. Labor	145 000		315 000		336 000		644 000	
3. Total.	578 000		1317 900		1280 000		2463 600	
4. W.E.Co. Bill	($67 per L.) 582 000		($154 per L.) 1336 000		($76 per L.) 1292 000		($146 per L.) 2498 000	(Pres. Price
							($142 per L.) 2438 000	(With 5% Reduction in Costs after 19
6. Interest during Construction	22 000		58 000		47 000		100 000	
7. Rent during Construction	30 000		41 000		42 000		56 000	
8. Plt., Traff., and Comml. Eng.	3 000		9 000		7 000		20 000	
9. Cutover and Tel. Co. Work	70 000		140 000		110 000		200 000	
10. Other Equip. and Power Service	15 000		55 000		25 000		60 000	
Total Indirect	140 000		305 000		231 000		436 000	
TOTAL "X" OFFICE	722 000		1639 000		1523 000		2874 000	
13. Excess Cost C.I. over S.F. Trk. Equip. Other Offices	-		84 000	(Note #2)	-		-	(Note #2)
14. P.B.X. Equipment	17 000		21 000		34 000		43 000	
15. Manual Substation	245 000		-		442 000		-	
Dial "	-		358 000	(Note #3)	-		654 000	(Note #3)
16. Building Cost	227 000		311 000		315 000		430 000	
TOTAL OTHER ITEMS	489 000		774 000		791 000		1127 000	
GRAND TOTAL	1211 000		2413 000		2314 000		4001 000	
ANNUAL CHARGES AND TRAFFIC EXPENSE								
18. A.C. "X" Offices	12.8% 92 400		209 800		194 900		367 900	
" Excess Cost C.I. over S.F. Trks. Other Offices	-		13 100		-		-	
" P.B.X.	15.4% 2 600		3 200		5 200		6 600	
" Manual Substation	12.8% 30 600		-		55 300		-	
" Dial "	13.0% -		46 500		-		85 000	
19. Mtce., Labor "X" Office	39 000		77 300		67 900		121 800	
20. " Matl. " "	4 700		4 900		11 100		8 000	
19-20(a) " Dial Substation	-		4 500*		-		8 400*	
Excess Mtce. C.I. over S.F. Trks. Other Offices	-		2 500*		-		-	
21. Power Bill	2 500		5 000		4 900		9 800	
22. Building Space	39 600		84 200		57 500		76 700	
Excess Cost Cordless "B" over Inc. Selec. Other Offices	2 200*	(Note #2)	-		19 700*	(Note #2)	-	
Excess Cost Cordless "B", Other Offices	5 100*	(" #2)	-		43 600*	(" #2)	-	

EXHIBIT X-323

MANUAL AND PANEL MACHINE SWITCHING EQUIPMENT

COMPARATIVE COSTS AT 12-31-33 AND 12-31-45

SHEET "A"

July 7, 1925.

AT 12-31-33 (15 Chicago Offices Assumed Mach. Sw.)			AT 12-31-45 (Chicago Offices Assumed 100% Machine Switching)		
PLAN I	PLAN II		PLAN I	PLAN II	
New Manual Office	New Panel M.Sw. Office		New Manual Office	New Panel M.Sw. Office	
8660 lines	8660 lines (2 full units)		17124 lines	17124 lines (3.7 units)	
453 000	1002 900		944 000	1819 600	
123 000	315 000		336 000	644 000	
576 000	1317 900		1280 000	2463 600	
($67 per L.) 582 000	($154 per L.) 1336 000		($76 per L.) 1292 000	($146 per L.) 2498 000	(Pres. Prices)
				($142 per L.) 2438 000	(With 5% Reduction in Costs after 1933)
22 000	58 000		47 000	100 000	
30 000	41 000		42 000	56 000	
3 000	9 000		7 000	20 000	
70 000	140 000		110 000	200 000	
15 000	55 000		25 000	60 000	
140 000	303 000		231 000	436 000	
722 000	1639 000		1523 000	2874 000	
Other Offices -	84 000	(Note #2)	-	-	(Note #2)
17 000	21 000		34 000	43 000	
245 000	-		442 000	-	
-	358 000	(Note #3)	-	654 000	(Note #3)
227 000	311 000		315 000	430 000	
489 000	774 000		791 000	1127 000	
1211 000	2413 000		2314 000	4001 000	
92 400	209 800		194 900	367 900	
her Offices -	13 100*		-	-	
2 600	3 200		5 200	6 600	
30 600	-		55 300	-	
-	46 500		-	85 000	
39 000	77 300		67 900	121 800	
4 700	4 900		11 100	8 000	
-	4 500*		-	8 400*	
her Offices -	2 500*		-	-	
2 500	5 000		4 900	9 800	
39 600	54 200		57 500	76 700	
Sec. Other Offices 2 200*	(Note #2)		12 700*	(Note #2)	
Other Offices 3 100*	(" #2)		43 600*	" #2)	

(1) Important Characteristics of Office Product

	C.R. per Line	H.T.	Product
1-MR	1.15	110"	195
2-MR	.82	210"	172
C.B.	1.21	215"	251
Equiv.	1.10	190"	210

	12-31-33	12-31-45
MACH. SW. FRAMES	156	279
POS. OPERATED		
Mach. Sw.	18.49	23.1
Manual	78.88	160.29
B.Hr. Pos. Cost	$2418	
LINES		
1-MR	2235	5001
2-MR	2055	3780
C.B.	4370	8343
TOTAL LINES	8660	17124
TOTAL STATIONS	19047	35561

(2) At 12-31-33 - 15 Chicago Offices are assumed on Mach. Sw. basis.
At 12-31-45 - All Chicago Offices except West Clark are assumed Machine Switching.

(3) The cost of changing the present special 48000-ohm subsets to relay sets has not been included, since the change is assumed to be made in either plan.

(4) Installations are assumed on a 5-year basis, beginning at

| | | |

	4	700			4	900		11	100		8	000	
		-			4	500*			-		8	400*	
Offices		-			2	500*			-			-	
	2	500			5	000		4	900		9	800	
	39	600			34	200		57	500		76	700	
Other Offices	2	200*	(Note #2)			-		19	700*	(Note #2)		-	
er Offices	3	100*	(" #2)			-		43	600*	(" #2)		-	
	190	700			44	700		367	600		55	900	
	$407	400			$445	700		$947	700		$740	100	
				$	58	300	*				$107	600	
LINE				$	6.	73	*				$6.2	8	

(3) The cost of changing the present special 48000-ohm subsets to relay sets has not been included, since the change is assumed to be made in either plan.

(4) Installations are assumed on a 3-year basis, beginning at 12-31-27.

* Excess Cost.

* RED FIGURES

A

Form 3102

ILLINOIS BELL TELEPHONE COMPANY

MONT CLARE OFFICE

CHICAGO, ILLINOIS

EXHIBIT X-323

MANUAL AND PANEL MACHINE SWITCHING EQUIPMENT

COMPARATIVE COSTS AT 12-31-45

BASED ON TRAFFIC WITH OTHER CHICAGO OFFICES BEING ASSUMED 60% MACHINE SWITCHING AND 40% MANUAL

		PLAN I New Manual Office 17124 Lines		PLAN II New Panel Mach. Sw. Office 17124 Lines (3.7 Units)	
FIRST COSTS					
1. App. and Install. Material		944 000		1819 600	
2. Eng., Draft., and Install. Labor		336 000		644 000	
3. Total,		1280 000		2463 000	
4. W.E.Co. Bill	($76 per line)	1292 000	($146 per line)	2498 000	(Present Prices)
			($142 per line)	2438 000	(With 5% reduction in cost after 1953)
6. Interest during Construction		47 000		100 000	
7. Rent during Construction		42 000		56 000	
8. Plant, Traffic, and Commd. Eng.		7 000		20 000	
9. Cutover and Tel. Co. Work		110 000		200 000	
10. Other Equipment and Power Service		25 000		60 000	
Total Indirect,		231 000		436 000	
TOTAL "X" OFFICE		1523 000		2874 000	
14. P.B.X. Equipment		34 000		43 000	
15. Manual Substations		442 000		-	
Dial "		-		654 000	
16. Building Cost		315 000		430 000	
TOTAL OTHER ITEMS		791 000		1127 000	
GRAND TOTAL		2314 000		4001 000	
ANNUAL CHARGES AND TRAFFIC EXPENSE					
18. A.C. "X" Office 12.8%		194 900		367 900	
" P.B.X. Equipment 15.4%		5 200		6 600	
" Man. Substation 12.5%		55 300		-	
" Dial " 13.0%		-		85 000	
19. Mtce. Labor "X" Office		67 900		121 800	
20. " Matl. " "		11 100		8 000	
19-20(c) Excess Mtce. Dial Substation		-		8 400	
21. Power Bill		4 900		9 800	
22. Building Space		57 500		76 700	
Excess Cordless "B" over Inc. Selec. Other Offices		19 700		-	
Excess Traffic Expense Cordless "B" Other Offices		43 600		-	
Traffic Expense "X" Office		387 600		55 900	
TOTAL (100% Mach. Sw. Basis (See Sheet "A")		847 700		740 100	
CORRECTIONS FOR 60% MACHINE SWITCHING BASIS					
Excess A.C. Cordless "B" over Inc. Selec. Mont Clare		-		7 900	
" " Call Indic. " " " " Other Offices		-			

EXHIBIT X-323

P-2

Sheet "B"

MANUAL AND PANEL MACHINE SWITCHING EQUIPMENT

COMPARATIVE COSTS AT 12-31-45

BASED ON TRAFFIC WITH OTHER CHICAGO OFFICES BEING ASSUMED 60% MACHINE SWITCHING AND 40% MANUAL

July 7, 1925.

	PLAN I New Manual Office 17124 Lines		PLAN II New Panel Mach. Sw. Office 17124 Lines (3.7 Units)	
	944 000		1819 600	
	336 000		644 000	
	1280 000		2463 000	Notes 1, 2, 3, and 4.
($76 per line)	1292 000	($146 per line)	2498 000	(Present Prices) See Sheet "A".
		($142 per line)	2438 000	(With 5% reduction in cost after 1933)
	47 000		100 000	
	42 000		56 000	
	7 000		20 000	
	110 000		200 000	
	25 000		60 000	
	231 000		436 000	
	1523 000		2874 000	
	34 000		43 000	
	442 000		-	
	-		654 000	
	315 000		430 000	
	791 000		1127 000	
	2314 000		4001 000	
	194 900		367 900	
	5 200		6 600	
	55 300		-	
	-		85 000	
	67 900		121 800	
	11 100		8 000	
	-		8 400	
	4 900		9 800	
	57 500		76 700	
ther Offices	19 700		-	
her Offices	43 600		-	
	387 600		55 900	
"A")	847 700		740 100	
e. Mont Clare	-		7 000	
	-		13 000	

* RED FIGURES

Excess Cordless "B" over Inc. Selec. Other Offices	19 700		-	
Excess Traffic Expense Cordless "B" Other Offices	43 600		-	
Traffic Expense "X" Office	387 600		55 900	
TOTAL (100% Mach. Sw. Basis (See Sheet "A")	847 700		740 100	
CORRECTIONS FOR 60% MACHINE SWITCHING BASIS				
Excess A.C. Cordless "B" over Inc. Selec. Mont Clare	-		7 000	* REI
" " Call Indic. " " " Other Offices	-		13 000	
Traffic Expense Cordless "B" Mont Clare	-		22 100	
" " Call Indic. Other Offices	-		20 200	
" " S.F. over Cordless "B" Other Offices	2 000		-	
" " S.F. over C.I. Mont Clare	3 300 *		-	
TOTAL 60% MACHINE SWITCHING BASIS	846 400		802 400	
SAVING MACHINE SWITCHING OVER MANUAL	-		44 000	
" " " " " PER LINE	-		$2.57	

Other Offices	19	700	
ther Offices	43	600	
	387	600	
"A")	847	700	
IS			
.oc. Mont Clare		-	
Other Offices		-	
		-	
es		-	
Other Offices	2	000	
re	3	300 *	
	846	400	
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ER LINE		-	

	+
	-
55	900
740	100
7	000
13	000
22	100
20	200
	-
	-
802	400
44	000
	$2.57

* RED FIGURES

Form 3102

EXHIBIT X-323

ILLINOIS BELL TELEPHONE COMPANY
MONT CLARE OFFICE
CHICAGO, ILLINOIS

MANUAL AND PANEL MACHINE SWITCHING EQUIPMENT
COMPARATIVE COSTS AT 7-31-28 (1 UNIT)
(APPROXIMATE COSTS BASED ON 1933 FIGURES) (5 CHICAGO OFFICES ASSUMED MACHINE SWITCHING)

		PLAN I New Manual Office 4550 Lines (One full unit)	PLAN II New Panel Mach. Sw. Office 4550 Lines
FIRST COSTS			
1.			
2.			
3.			
4. W.E.Co. Bill	($70 per Line)	317 000	($168 per L.) 767 000
6. Interest during Construction		13 000	34 000
7. Rent during Construction		30 000	41 000
8. Plant, Traff., and Comml. Eng.		2 000	7 000
9. Cutover and Tel. Co. Work		35 000	70 000
10. Other Equipment and Power Service		8 000	53 000
Total Indirect,		88 000	205 000
TOTAL "X" OFFICE,		405 000	972 000
13. Excess Cost C.I. over S.F. Trk. Equip. Other Offices		-	60 000
14. P.B.X. Equipment		7 000	9 000
15. Manual Substations		131 000	-
Dial "		-	190 000
16. Building Cost		227 000	311 000
TOTAL OTHER ITEMS		365 000	570 000
GRAND TOTAL		770 000	1542 000
ANNUAL CHARGES AND TRAFFIC EXPENSE			
18. A.C. "X" Office	12.6%	51 800	124 400
" Excess Cost C.I. over S.F.Trks. Other Offices		-	9 400*
" P.B.X.	15.4%	1 100	1 400
" Manual Substations	12.5%	16 400	-
" Dial "	13.0%	-	24 700
19. Mtce. Labor "X" Office		24 700	56 000
20. " Matl. " "		2 300	2 700
19-20(c) " Dial Substations		-	2 500*
Excess Mtce. C.I. over S.F.Trks. Other Offices		-	1 800*
21. Power Bill		1 300	2 600
22. Building Space		39 600	54 200
Excess Cost Cordless "B" over Inc. Selec. Other Offices)			-

(1) Important

1-MR
2-MR
C.B.

Equivalen

MACH. SW.

POS. OPER
Mach. Sw
Manual
B.Hr. Pos

LINES
1-MR
2-MR
C.B.
TOTAL L

TOTAL S

(2) At 7-31-2
on Mech

* Excess Cost

EXHIBIT X-323

1 P-3

MANUAL AND PANEL MACHINE SWITCHING EQUIPMENT

SHEET "C"

COMPARATIVE COSTS AT 7-31-28 (1 UNIT).

(APPROXIMATE COSTS BASED ON 1925 FIGURES) (5 CHICAGO OFFICES ASSUMED MACHINE SWITCHING)

July 7, 1925.

	PLAN I New Manual Office 4550 Lines (One full unit)	PLAN II New Panel Mach. Sw. Office 4550 Lines
(570 per Line)	317 000	(168 per L.) 767 000
	13 000	34 000
	30 000	41 000
	2 000	7 000
	35 000	70 000
	8 000	53 000
	88 000	205 000
	406 000	972 000
Equip. Other Offices	-	60 000
	7 000	9 000
	151 000	-
	-	190 000
	227 000	511 000
	365 000	570 000
	770 000	1542 000
	51 800	124 400
Other Offices	-	9 400*
	1 100	1 400
	16 400	-
	-	24 700
	24 700	56 000
	2 300	2 700
	-	2 500*
ther Offices	-	1 800*
	1 300	2 600
	39 600	54 200
Selec. Other Offices)		-

NOTES

(1) Important Characteristics of Office

	C.R. per Line	H.T.	Product
1-MR	1.15	110"	195
2-MR	.82	210"	172
C.B.	1.21	213"	251
Equivalent	1.10	190"	210

	12-31-28
MACH.SW. FRAMES	87
POS. OPERATED	
Mach. Sw.	9.51
Manual	38.42
B.Hr. Pos. Cost	$2418
LINES	
1-MR	1054
2-MR	616
C.B.	2880
TOTAL LINES	4550
TOTAL STATIONS	10000

(2) At 7-31-28 - 5 Chicago Offices are assumed on Machine Switching Basis.

* Excess Cost.

| | | |

Fees	-	2 500*	
	-	1 800*	
	1 300	2 600	
	39 600	54 200	
Other Offices).		-	
Offices)	1 000	-	
	92 900	23 000	
	231 100	302 700	
		$ 71 600 *	
IRE		$ 15.73 *	

* RED FIGURES

[fol. 5922] EXHIBIT X-323

June 15, 1932.

Merrimac Study, July 7, 1925

Breakdown of Annual Charge Percentages

Central Office Equipment:		
Interest	7.0%	
Insurance	0.1	
Taxes	2.0	
Depreciation	3.7	(14 Yrs., 15% Salv.) Int. 7%.
	12.8%	
Private Branch Exchanges:		
Interest	7.0%	
Taxes	2.0	
Depreciation	6.4	(7 Yrs., 45% Salv.) Int. 7%.
	15.4%	
Substations:		
Manual:		
Interest	7.0%	
Taxes	2.0	
Depreciation	3.5	(5 Yrs., 70% Salv. of Appar.) Int. 7%.
	12.5%	
Dial:		
Interest	7.0%	
Taxes	2.0	
Depreciation	4.0	(5 Yrs., 70% Salv. of Appar.) Int. 7%
	13.0%	

RJF:MF

(Here follows side folios 5923, 5924 and 5925)

EXHIBIT X-323

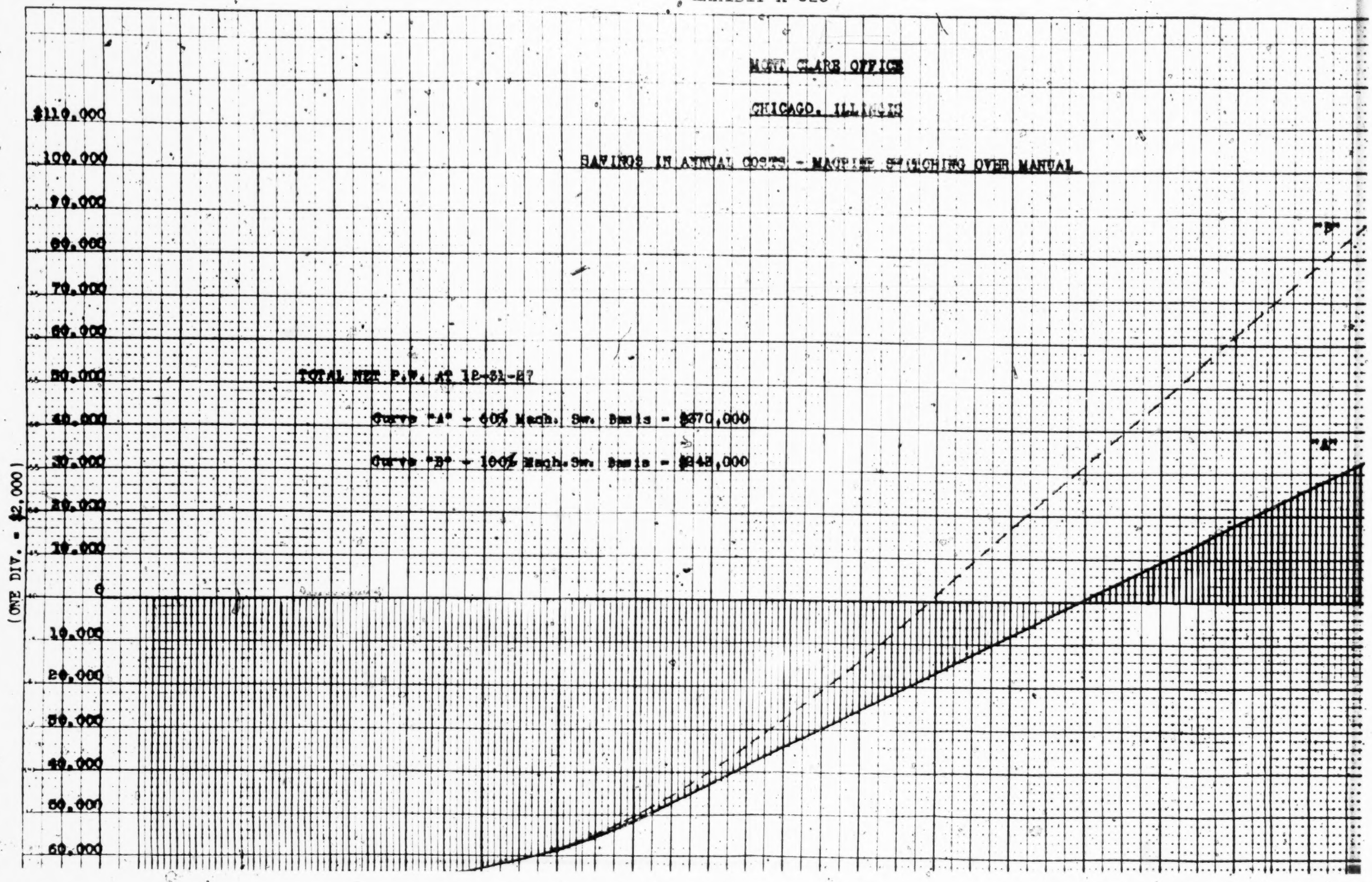


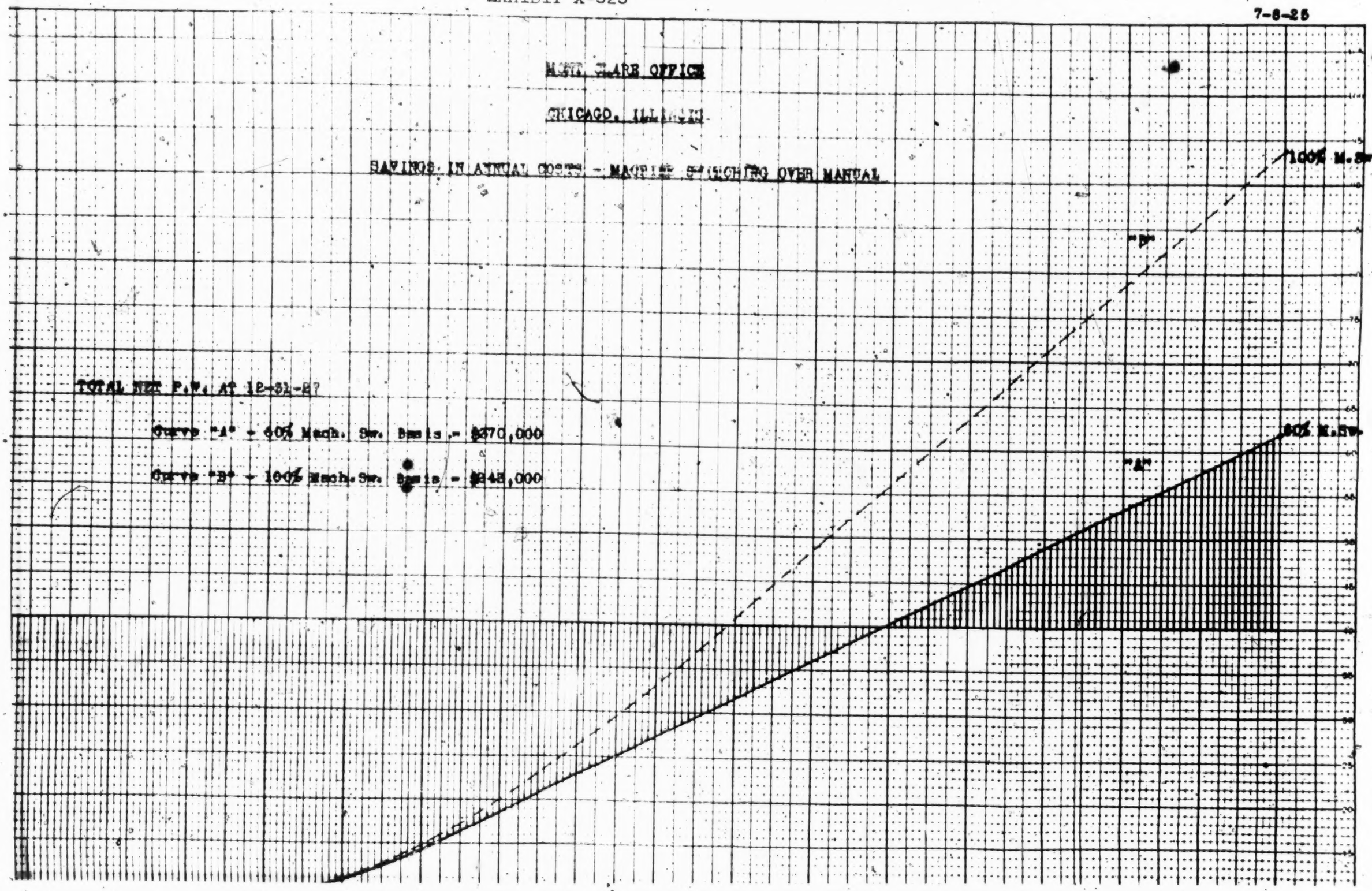
EXHIBIT X-323

7-8-25

M.&T. WARE OFFICE

CHICAGO, ILLINOIS

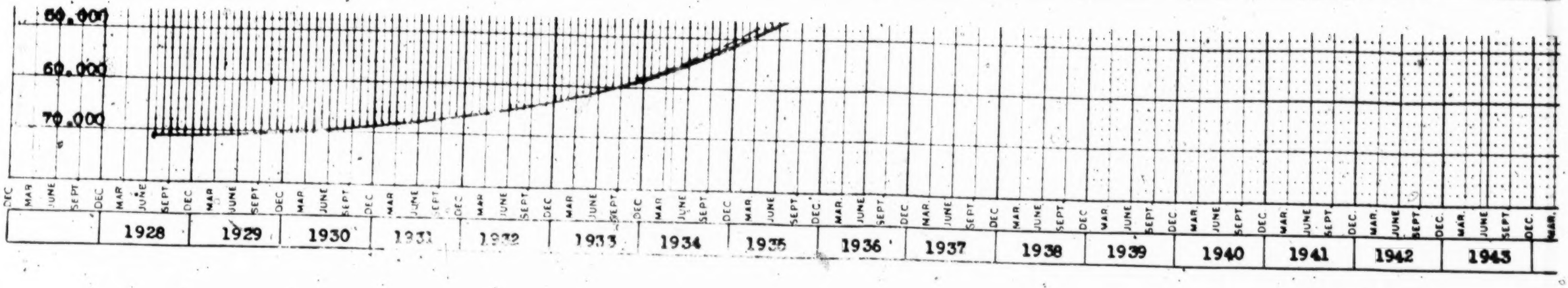
SAVINGS IN ANNUAL COSTS - MACHINE SWITCHING OVER MANUAL



TOTAL NET P.W. AT 12-31-27

Curve "A" - 60% Mech. Sw. Basis - $370,000

Curve "B" - 100% Mech. Sw. Basis - $248,000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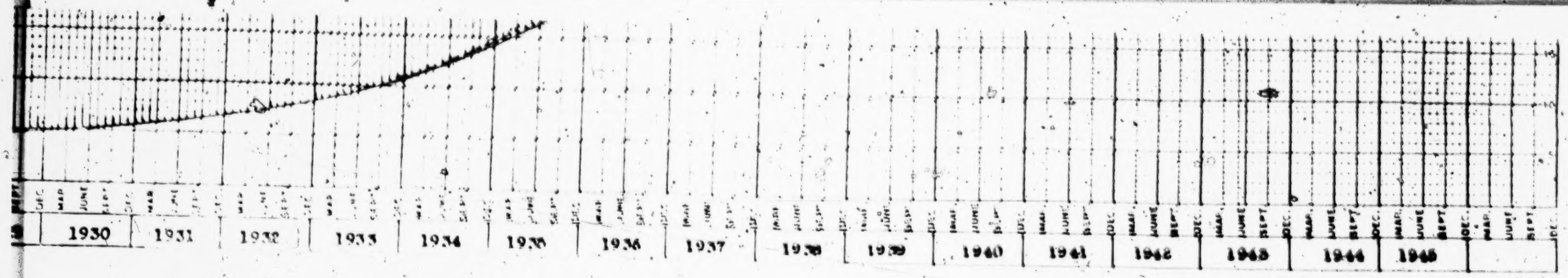
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1944
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5923

EXHIBIT X-323

P.W. Savings Mach Sw over Manual

AT 12-31-27

Form 3220

P-6

7-8-25

YEAR	FACTOR	60% MACH. SW. A.C.	60% MACH. SW. P.W.	100% MACH. SW. A.C.	100% MACH. SW. P.W.
1928	.935	71000	66400	71000	66400
1929	.873	70000	61100	70000	61100
1930	.816	68500	55800	68500	55800
1931	.763	66000	50300	66000	50300
1932	.713	63000	44900	63000	44900
1933	.666	58300	38800	58300	38800
1934	.623	50000	31200	49800	31000
1935	.582	42000	24400	39000	22700
1936	.544	33500	18200	27000	14700
1937	.508	24600	12500	13500	6850
1938	.475	16000	1600	2000	950
1939	.444	7500	3340	17000	7550
1940	.415	1000	415	32000	13300
1941	.388	10000	3900	47000	18200
1942	.362	18200	6600	62000	22400
1943	.339	27000	9150	77500	26200
1944	.317	36000	11400	92000	29200
1945	.296	44000	13000	107600	31800
		Total Losses	414,500 *		392,600 *
		Total Savings	44500		149600
		NET LOSSES	370,000 *		243,000 *

*-RED FIGURES

5924

EXHIBIT X-323

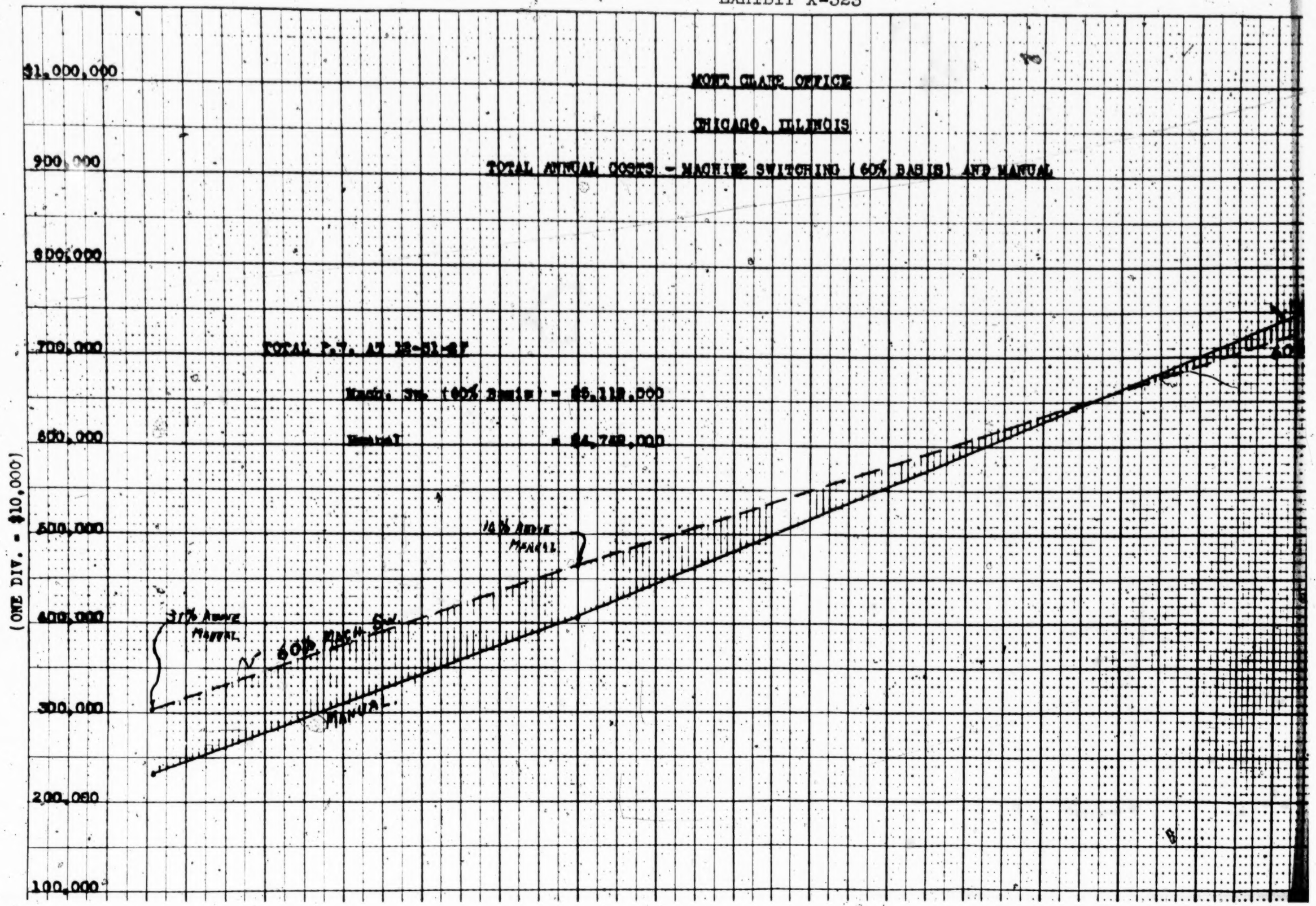


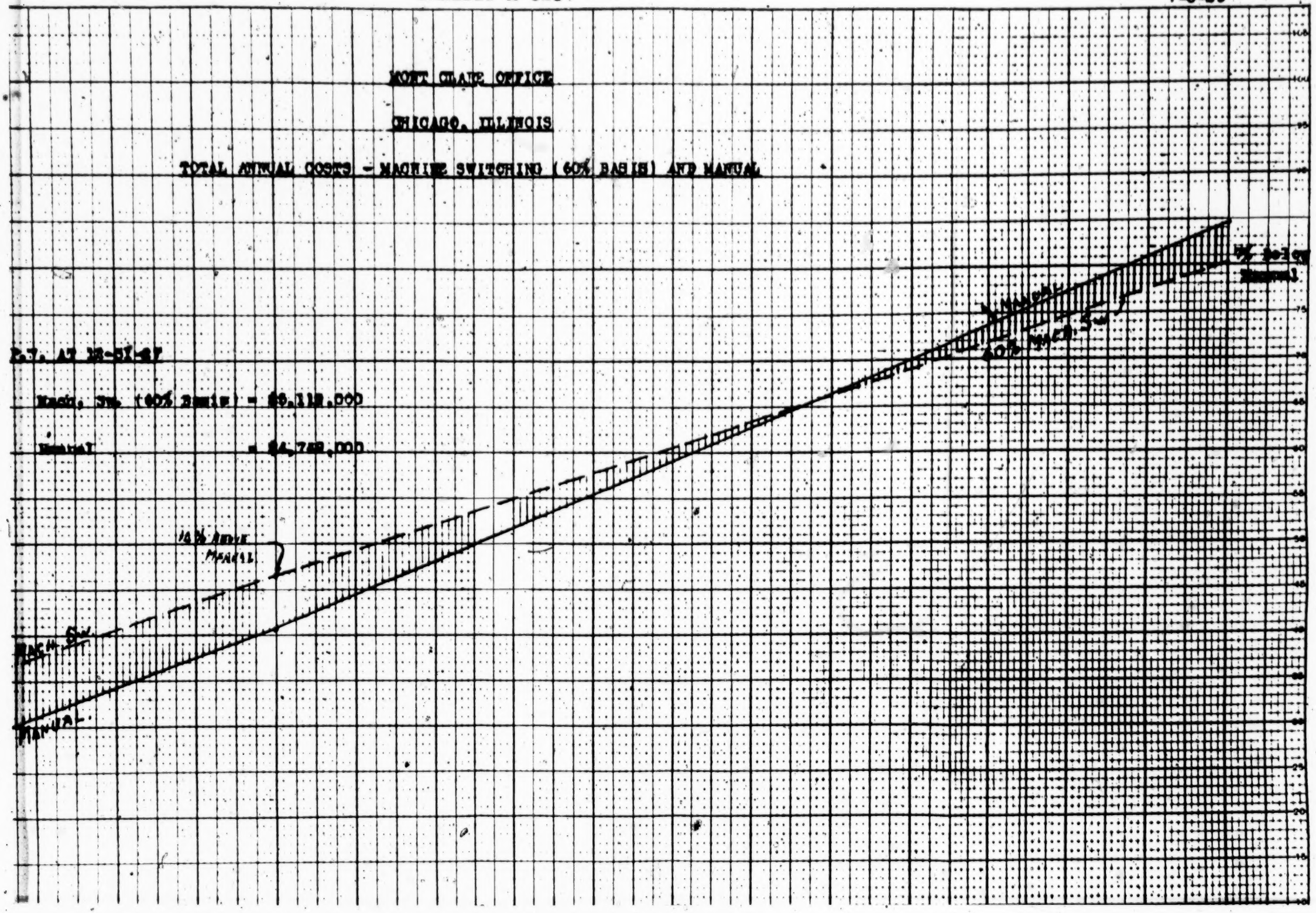
EXHIBIT X-323

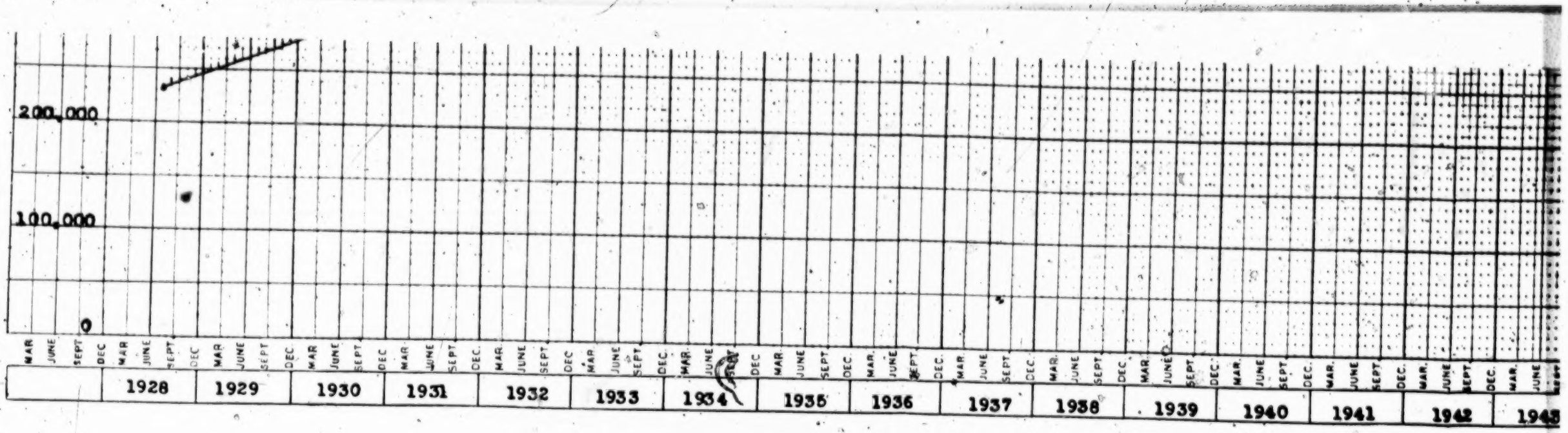
7-8-25

KOPP CLAIM OFFICE

CHICAGO, ILLINOIS

TOTAL ANNUAL COSTS - MACHINE SWITCHING (60% BASIS) AND MANUAL

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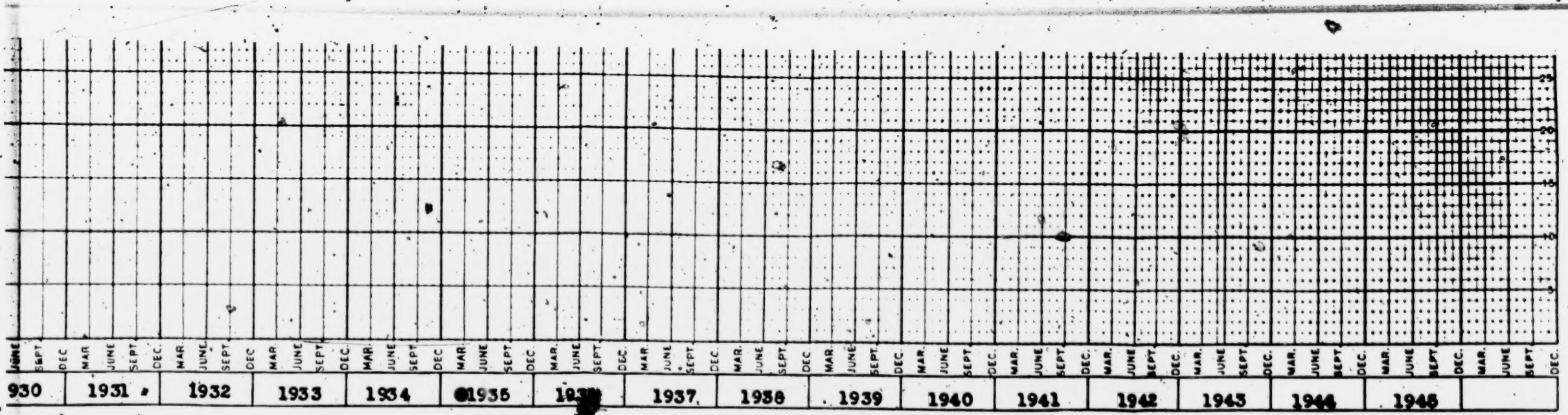
JUNE SEPT DEC MAR JUNE SEPT DEC
1930 1931 1932 1933 1934 1935 1936 1937 1938 1939 1940 1941 1942 1943 1944 1945
5925

[fol. 5926]

EXHIBIT X-324

Subject: Central Office Equipment, Edgewater Area, Chicago

American Telephone and Telegraph Company

Bell System

Bancroft Gherard, Vice President and Chief Engineer. Karl W. Waterson, Assistant Chief Engineer. Harry P. Charlesworth, Plant Engineer. Lloyd B. Wilson, Commercial Engineer

195 Broadway,
New York, October 20, 1926.
October 2—27663—PA3.1.

Mr. W. O. Kurtz, Chief Engineer, Illinois Bell Telephone Company, Chicago, Ill.

DEAR MR. KURTZ: This is to confirm our recent telephone conversation concerning the type of equipment to be provided for relief purposes in the Edgewater area, Chicago, as discussed in your letter of October 2.

We have carefully reviewed the cost study you made comparing manual and machine service for the Edgewater area and, broadly, have no comments or suggestions to offer with regard to it. A number of details were considered with your people and these, I believe, are being included in the final comparison.

I note that the study indicates some cost penalty with the machine equipment during the initial period, while a very marked saving with this equipment is indicated in the ultimate. From our review of the data available and from the visit which Mr. Harrison made to the Edgewater area during his recent trip to Chicago, we feel as you do that [fol. 5927] in the ultimate there are decided overall advantages with machine equipment. Also, while it is, of course, impossible to predict with any degree of accuracy the effect of the different assumptions that have been made under the various plans, yet we are inclined to feel that the cost difference indicated in the machine plan during the initial period is not of such moment as might first appear to be the case, when it is considered that the machine

plan is on a broader and more comprehensive basis as to the future than the manual plan. A further point is that consideration of the trend of the machine program throughout the System would seem to indicate that the amount of machine traffic estimated for this office in 1945 is not at all unreasonable. In addition it is not unlikely that some increase in operating labor costs will obtain, the extent of the increase doubtless being influenced by the amount of machine equipment in the Chicago exchange.

As we review the situation broadly here, we are impressed with the fact that while there is some cost penalty on an engineering study basis with the machine plan during the initial period, yet when the expenditures are considered on a book basis, something in the order of 2 per cent is earned on the excess capital requirements even during this period, with an improvement in return indicated each succeeding year. This is not a particularly unfavorable showing, considering that a new system is proposed for such a large area in Chicago. Considering all the various factors involved, therefore, we agree with you that there would be [fol. 5928] advantage in proceeding with the machine plan unless there are some local considerations bearing on the problem with which we are not familiar, such for example as the effect of this project on the return for the exchange as a whole.

What I have said in the foregoing is based on the assumption that there is nothing proposed in the future in connection with the handling of four party subscribers in Chicago which would have a controlling bearing on the type of equipment for the Edgewater area. There is nothing that we have in mind that would affect the immediate plan of procedure at this time, and I am simply mentioning this question of the ultimate arrangement of serving the four party subscribers because it seems to us that it is a matter which is becoming increasingly important, particularly with the extension of the machine program in Chicago.

I shall be interested to know of your final conclusions in connection with this matter, and in case we can be of any further service with regard to it, I shall appreciate it if you will let us know.

Yours very truly, H. P. Charlesworth, Plant Engineer.

[fol. 5929] EXHIBIT X-324

June 15, 1932.

Longbeach Study, September 20, 1926

Breakdown of Annual Charge Percentages

Central Office Equipment:		
Interest	7.0%	
Insurance	0.1	
Taxes	2.0	
Depreciation	3.7	(14 Years, 16% Salv.).
	12.8%	
Private Branch Exchanges:		
Interest	7.0%	
Taxes	2.0	
Depreciation	6.4	(7 Years, 45% Salv.)
	15.4%	
Substations:		
Manual:		
Interest	7.0%	
Taxes	2.0	
Depreciation	3.0	(5 Years, 70% Salv. of Appar.)
	12.0%	
Dial:		
Interest	7.0%	
Taxes	2.0	
Depreciation	3.7	(5 Years, 70% Salv. of Appar.)
	12.7%	

RJF:MF.

(Here follows side folio 5930, Exhibit X-324)

Form 3102

ILLINOIS BELL TELEPHONE COMPANY
EDGEWATER OFFICE
CHICAGO, ILLINOIS.

EXHIBIT X-324

MANUAL RELIEF IN ADJACENT BUILDING
VS.
PANEL MACHINE SWITCHING RELIEF IN A SEPARATE BUILDING ON A NEW LOT
COMPARATIVE COSTS AT 12-31-22 and 12-31-45

First Costs	At 12-31-32 Manual Relief	At 12-31-32 Mach. Switching Relief	At 12-31-45 Manual Relief	At 12-31-45 Mach. Switching Relief	
1. Apparatus		$ 903 000		$ 2 653 000	(1)
2. Eng., Draft., Install. Labor		217 000		554 000	
3. Total		1 120 000		3 207 000	
4. W.E. Co. Bill	$ 392 000	1 129 000	$ 1 270 000	3 234 000	
	($63/L.)	($129/L.)	($72/L.)	($109/L.)	
6. Interest During Construction	10 000	43 000	40 000	104 000	
7. Rent During Construction	22 000	40 000	31 000	61 000	
8. Plant, Traf., and Commercial Eng.	3 000	10 000	9 000	30 000	
9. Cut-over and Tel.Co. Work	-	45 000	-	144 000	
10. Other C.O. Equip. and Power Service	5 000	56 000	27 000	67 000	
Total Indirect	40 000	194 000	107 000	406 000	
Total "X" Office (New)	432 000	1 323 000	1 377 000	3 640 000	
Add'l.C.I. Equip. in Edgewater	-	28 000	-	47 000	
Present "X" Office (Common)	836 000	836 000	836 000	836 000	
" "X" " (Excess)	629 000	442 000	629 000	-	
13. Equipment Other Offices (See Note 2)	136 000	216 000	362 000	365 000	
14. Excess P.B.X. Equipment	-	8 000	-	12 000	
15. Substations (Common Equip. omitted)	109 000	159 000	428 000	636 000	
16. Building, new	232 000	439 000	325 000	679 000	
" Present (Common and omitted)	-	-	-	-	
Present Land (Common and omitted)	-	-	-	-	
Additional Land	50 000	137 000	50 000	137 000	
Improvements on Land	36 000	28 000	-	-	
Land held for future M.S. Bldg.	137 000	-	137 000	-	(2)
Improvements on above Land	28 000	-	28 000	-	
ANNUAL CHARGES AND TRAFFIC EXPENSE					
18. A.C. "X" Office, new (12.8%)	55 300	169 300	176 300	465 900	
A.C. C.I. Equip. Edgewater (12.8%)	-	3 600	-	6 000	
A.C. "X" Office, Pres.(Common) (12.8%)	107 100	107 100	107 100	107 100	
A.C. "X" Office, Pres.(Excess) (12.8%)	80 400	56 700	80 400	-	(3)
A.C. Equip. Other Offices (12.8%)	17 400	27 600	46 400	46 700	
A.C. Excess P.B.X. (15.4%)	-	1 200	-	1 800	
A.C. Substations, Manual (12.0%)	13 000	-	51 400	-	
A.C. " Dial (12.7%)	-	20 200	-	80 800	
19 &20. Mtce. Labor and Material "X" Office	95 000	119 000	125 000	175 000	
" " " " Other Offices	3 300	6 400	8 000	15 000	
" Excess, Dial	-	2 300	-	8 900	
21. Power Bill	7 200	9 500	10 000	17 500	
22. Building Space (Present Bldg. omitted)	43 300	83 700	61 300	121 100	

EXHIBIT X-324

P-5

MANUAL RELIEF IN ADJACENT BUILDING
VS.
PANEL MACHINE SWITCHING RELIEF IN A SEPARATE BUILDING ON A NEW LOT
COMPARATIVE COSTS AT 12-31-22 and 12-31-45

SHEET "A"

SEPT. 20, 1926.

At 12-31-32		At 12-31-45		
Manual Relief	Mach. Switching Relief	Manual Relief	Mach. Switching Relief	Notes
	$ 903 000		$ 2 653 000	(1) Important Characteristics of Office.
	217 000		554 000	12-31-32 / 12-31-45
	1 120 000		3 207 000	LINES — MAN. M.S. / MAN. M.S.
$ 392 000	1 129 000	$ 1 270 000	3 234 000	Man. Relief
($63/L.)	($129/L.)	($72/L.)	($109/L.)	1-M.R. 14,100 - / 22,926 -
10 000	43 000	40 000	104 000	2-M.R. 5,670 - / 7,645 -
22 000	40 000	31 000	61 000	C.B. 8,066 - / 9,650 -
3 000	10 000	9 000	30 000	M.S. Relief
-	45 000	-	144 000	1-M.R. 5,130 8,970 / - 22,926
5,000	56 000	27 000	67 000	2-M.R. 5,670 - / 1,000 6,645
40 000	194 000	107 000	406 000	C.B. 8,066 - / 9,650
432 000	1 323 000	1 377 000	3 640 000	
-	28 000	-	47 000	C.R. & H.T.
836 000	836 000	836 000	836 000	C.R. per line 1.15 / 1.05
629 000	442 000	629 000	-	H.T. 185" / 185"
136 000	216 000	362 000	365 000	Product 213 / 194
-	8 000	-	12 000	
109 000	159 000	428 000	636 000	M.SW. FRAMES 138 / 409
232 000	439 000	325 000	679 000	Pos. Operated
-	-	-	-	Man. Relief 223.4 - / 328.8
-	-	-	-	M.S. " 151.3 20.4 / 84.2 48.2
50 000	137 000	50 000	137 000	B.Hr. Pos. Cost $2.76* / $ 2.76*
36,000	28 000	-	-	
137 000	-	137 000	-	(2) A reduction of 1/3 in the price of C.I. equipment is assumed after 1932 in accordance with a letter dated August 12, 1926 from the A.T. and T. Co. to the Local Traffic Engineer.
28 000	-	28 000	-	
55 300	169 300	176 300	465 900	
-	3 600	-	6 000	
107 100	107 100	107 100	107 100	
80 400	56 700	80 400	-	(3) A 5.0% reduction in the cost of panel machine switching equipment is assumed after 1933.
17 400	27 600	46 400	46 700	
-	1 200	-	1 800	
13 000	-	51 400	-	
-	20 200	-	80 800	
95 000	119 000	125 000	175 000	
3 300	6 400	8 000	15 000	* RED FIGURES
-	2 300	-	8 900	
7 200	9 500	10 000	17 500	
43 300	83 700	61 300	121 100	

| | | |

	95 000	119 000	125 000	175 000
s	3 300	6 400	8 000	15 000
	-	2 300	-	8 900
	7 200	9 500	10 000	17 500
	43 300	83 700	61 300	121 100
Bldg.	17 500	-	17 500	-
	-	1 000	-	5 000
	618 400	478 500	910 200	366 400
	5 200	-	41 400	-
ent	-	14 800	-	37 400
	-	1 800	-	1 800
s on Land	5 200	3 200	5 200	3 200
	7 000 *	1 600 *	7 000 *	1 600 *
	-	3 000 *	-	10 000 *
	$ 1 061 300	$ 1 101 300	$ 1 633 200	$ 1 448 000
		$40 000 *		185 200
		$4.40 *		$ 6.27

* RED FIGURES

5930

[fol. 5931] EXHIBIT X-352

Extract.

Page 2, 3rd paragraph:

"Ten Million Dollars ($10,000,000) additional capital stock of the Company was authorized by the stockholders on April 9, 1923, to be sold to the stockholders at par. This has been subscribed and is being paid in installments, the final payment of 20% to be made on March 31, 1924."

(Here follow side folios 5932, 5933, 5934, 5935, 5936, 5937, 5938 and 5939)

[fol. 5932]

EXHIBIT X-354

Illinois Bell Telephone Company

Provisional Financial Plan[1]—1923

Statement F

	Requirements:			
	For Plant and Equipment—			
1	Gross Additions to Plant (incl. Int. during const.)	$17,400,000		
2	Plus Cost of Removing Plant	500,000		
3	Less Salvage (incl. gross wiring gain)	2,430,000	$15,470,000	
4	Extraordinary Repairs (Net)		40,000	
5	General Equipment (260 Gross less Salvage)		440,000	
6	Total for Plant and Equipment			$15,950,000
	For Investments and Advances—			
	Investment Securities, Increase (106-109)			
7	Stocks—to Increase Percent of Control[2]			
8	Other Investment Securities[2]			
9	Advances to be made System Corp. (110)[2] (Advances to be called should be included under Financing, line 44)			
10	Miscellaneous Investments, Increase (111)		*2,000	
11	Total for Investments and Advances			*2,000
	For Increased Current Assets—			
12	Bills Receivable (new loans) (117)[2] (Bills Receivable, maturing or to be called, should be included under Financing, line 44)			
13	Accounts Receivable, Increase (115, 118, 119, 120)		235,000	
14	Materials and Supplies, Increase (122-01-02 and 03)		*100,000	
15	Cash Balance, Increase		*1,500,000	
16	Total for Increased Current Assets			*1,365,000
17	For Obligations maturing or expected to pay[2]			34,564,000
18	For Sinking Funds			
19	For Purchase of Going or Completed Plant—From Associated Companies[3]			
20	For Purchase of Going or Completed Plant—From Non-Associated Companies[3]			1,045,000
21	Grand Total Requirements			$50,192,000
	Expected Current Resources:			
	Undivided Cash Earnings—			
22	"Balance for Corporate Surplus"			$1,765,000
23	Plus charges against Income, etc., not payable in cash in current year			
24	Wiring Loss (Net)	$480,000		
25	Amortization of Debt Discount and Exp. (338)			
26	Accrued Liabilities not due, Increase (166, 167)	5,000		
27	Service Billed in Advance, Increase (164)			
28	Matured Int. & Dividends Unpaid, Increase (162)			485,000
29	Less Credits to Income, etc., not received in cash in current year (except 313-02)			
30	Accrued Income not due, Increase (124)			
31	Matured Int. and Dividends Rec., Increase (121)			
32	Release of Premiums on Debt (339)			
33	Prepayments, Increase (129-133)	15,000		15,000
34	Total Undivided Cash Earnings			$2,235,000
	Reserves—			
35	Deprec'n of Plant and Equipment (608, 609 & 340)	$6,860,000		
36	Deprec'n Ch'g'd Clearing Accounts (701-2-3-& 4)	310,000		
37	Unexpend. Inc. other Res. (169+170 less 350 or 411)	25,000		
38	Total Reserves			7,195,000
39	Increased Current Liabilities (158, 159, 160, 161)			*479,000
40	Sale of Going or Completed Plant—To Associated Companies[3]			50,000
41	Sale of Going or Completed Plant—To Non-Associated Companies[3]			12,000
42	Grand Total Expected Current Resources			$9,013,000
	Balance, Net Requirements			$41,179,000
	Financing Proposed for Above Net Requirements:			
44	Advances and Bills Receivable, maturing or to be called[2]			45,000
45	Stocks to be sold A. T. & T. Co.			
46	Stocks or Bonds to be sold others[2]			
47	Borrow from Bankers or others[2]			
48	Borrow from A. T. & T. Co.			6,600,000
49	Other			34,534,000
50	Total Financing			$41,179,000

* Red figures.

Date Issued, No. 27, 1922

[fol. 5933]

EXHIBIT X-354

Illinois Bell Telephone Company

Provisional Financial Plan—1924[1]

Supplement to Statement F

	Requirements:			
	For Plant and Equipment:			
1	Gross Additions to Plant (incl. Int. during const.)	$19,000,000		
2	Plus Cost of Removing Plant	580,000		
3	Less Salvage (incl. gross wiring gain)	2,790,000	$16,790,000	
4	Extraordinary Repairs (Net)		100,000	
5	General Equipment (260 Gross less Salvage)		420,000	
6	Total for Plant and Equipment			$17,310,000
	For Investments and Advances—			
	Investment Securities, Increase (106-109):			
7	Stocks—to Increase Percent of Control[2]	$	$	
8	Other Investment Securities[2]			
9	Advances to be made System Corp. (110)[2] (Except to A. T. & T. Co.)			
10	Miscellaneous Investments, Increase (111) (Excl. transfers from and to Accounts 211 & 212)			
11	Total for Investments and Advances			
	For Increased Current Assets—			
12	Bills Receivable (new loans) (117)[2] (Except to A. T. & T. Co.)			
13	Accounts Receivable, Increase (115, 118, 119, 120) (Except loans on open account to A. T. & T. Co.)			
14	Materials and Supplies, Increase (122-01-02 and 03)		$310,000	
15	Cash and Marketable Securities, Increase (113-114-116)		*50,000	
16	Total for Increased Current Assets		*10,000	
17	For Obligations maturing or expected to pay[2] (except to A. T. & T. Co.)			$250,000
18	For Sinking Funds			8,000
19	For Purchase of Going or Completed Plant—From Associated Companies[3]			500,000
20	For Purchase of Going or Completed Plant—From Non-Associated Companies[3]			
21	Miscellaneous Debit Adjustments (See Notes 2 and 4)			1,472,000
				155,000
22	Grand Total Requirements			$19,385,000
	Expected Current Resources:			
	Undivided Cash Earnings:			
23	"Balance for Corporate Surplus"			$2,023,000
24	Plus Charges against Income, etc., not payable in cash in current year:			
25	Wiring Loss (Net)	$560,000		
26	Amortization of Debt Discount and Exp. (338)	125,000		
27	Accrued Liabilities not due, Increase (166, 167)	380,000		
28	Service Billed in Advance, Increase (164)			
29	Matured Int. & Dividends Unpaid, Increase (162)			$1,065,000
30	Less Credits to Income, etc., not received in cash in current year (except 313-02)			
31	Accrued Income not due, Increase (124)			
32	Matured Int. and Dividends Rec., Increase (121)			
33	Release of Premiums on Debt (339)			
34	Prepayments, Increase (129-133)	15,000		15,000
35	Total Undivided Cash Earnings			$3,073,000
	Reserves—			
36	Deprec'n of Plant and Equipment (608, 609 & 340)	$7,610,000		
37	Deprec'n Ch'g'd Clearing Accounts (701-2-3 & 4)	250,000		
38	Unexpend. Inc. other Res. (169 + 170 less 350 or 411)	45,000		
39	Total Reserves			7,905,000
40	Increased Current Liabilities (158, 159, 160, 161) (Except loans carried in Account 160)			609,000
41	Sale of Going or Completed Plant—To Associated Companies[3]			150,000
42	Sale of Going or Completed Plant—To Non-Associated Companies[3]			12,000
43	Miscellaneous Credit Adjustments[2]			
44	Grand Total Expected Current Resources			$11,749,000
45	Balance, Net Requirements			$7,636,000

Financing Proposed for Above Net Requirements†

46	Securities Sold A. T. & T. Co.	$1,980,000	Investment Securities Sold Others	
47	Loans from A. T. & T. Co.		Stock and Bonds of Company Sold Others	3,000
48	Loans to A. T. & T. Co. Repaid	5,600,000	Borrowed from Bankers and Others	
49	Less—Loans from A. T. & T. Co. Repaid		Advances & Bills Rec'ble., Maturing—from others	53,000
50	Less—Loans to A. T. & T. Co.			
51	Net Financing from A. T. & T. Co.	7,580,000	Total Financing from Others	56,000
			Grand Total Financing	$7,636,000

† Basis of Net Cash Received.
* Red figures.
Date Issued: Nov. 14, 1923.

[fol. 5934]

[1] Show amounts to nearest thousand dollars, but show last three digits.
[2] Specify detail on this side of report (or on Supplementary Statement).
[3] Cash Requirement or Resource only. Submit detail of contemplated purchases, and sales on separate statements.
[4] Include on Line 21 that portion of account (135) covering "expense on funded debt" in connection with new issues. The par value of securities to be sold should be shown on this side of the report.

13	Accounts Receivable, Increase (115, 116, 118, 120) (Except loans on open account to A. T. & T. Co.)			$310,000	
14	Materials and Supplies, Increase (122-01-02 and 03)			*50,000	
15	Cash and Marketable Securities, Increase (113-114-116)			*10,000	
16	Total for Increased Current Assets				$250,000
17	For Obligations maturing or expected to pay[2] (except to A. T. & T. Co.)				8,000
18	For Sinking Funds				500,000
19	For Purchase of Going or Completed Plant—From Associated Companies[3]				
20	For Purchase of Going or Completed Plant—From Non-Associated Companies[3]				1,472,000
21	Miscellaneous Debit Adjustments (See Notes 2 and 4)				155,000
22	Grand Total Requirements				$19,385,000
	Expected Current Resources:				
	Undivided Cash Earnings:				
23	"Balance for Corporate Surplus"				$2,023,000
24	Plus Charges against Income, etc., not payable in cash in current year:				
25	Wiring Loss (Net)	$560,000			
26	Amortization of Debt Discount and Exp. (338)	125,000			
27	Accrued Liabilities not due, Increase (166, 167)	380,000			
28	Service Billed in Advance, Increase (164)				
29	Matured Int. & Dividends Unpaid, Increase (162)				$1,065,000
30	Less Credits to Income, etc., not received in cash in current year (except 313-02)				
31	Accrued Income not due, Increase (124)				
32	Matured Int. and Dividends Rec., Increase (121)				0
33	Release of Premiums on Debt (339)				
34	Prepayments, Increase (129-133)	15,000			15,000
35	Total Undivided Cash Earnings				$3,073,000
	Reserves—				
36	Deprec'n of Plant and Equipment (608, 609 & 340)	$7,610,000			
37	Deprec'n Ch'g'd Clearing Accounts (701-2-3 & 4)	*250,000			
38	Unexpend. Inc. other Res. (169 + 170 less 350 or 411)	45,000			
39	Total Reserves				7,905,000
40	Increased Current Liabilities (158, 159, 160, 161) (Except loans carried in Account 160)				609,000
41	Sale of Going or Completed Plant—To Associated Companies[3]				150,000
42	Sale of Going or Completed Plant—To Non-Associated Companies[3]				12,000
43	Miscellaneous Credit Adjustments[2]				
44	Grand Total Expected Current Resources				$11,749,000
45	Balance, Net Requirements				$7,636,000
	Financing-Proposed for Above Net Requirements†				
46	Securities Sold A. T. & T. Co.	$1,980,000	Investment Securities Sold Others		
47	Loans from A. T. & T. Co.		Stock and Bonds of Company Sold Others		3,000
48	Loans to A. T. & T. Co. Repaid	5,600,000	Borrowed from Bankers and Others		
49	Less—Loans from A. T. & T. Co. Repaid		Advances & Bills Rec'ble., Maturing—from others		53,000
50	Less—Loans to A. T. & T. Co.				
51	Net Financing from A. T. & T. Co.	7,580,000	Total Financing from Others		56,000
			Grand Total Financing		$7,636,000

† Basis of Net Cash Received.
* Red figures.
Date Issued: Nov. 14, 1923.

[fol. 5934]

[1] Show amounts to nearest thousand dollars, but show last three digits.
[2] Specify detail on this side of report (or on Supplementary Statement).
[3] Cash Requirement or Resource only. Submit detail of contemplated purchases, and sales on separate statements.
[4] Include on Line 21 that portion of account (135) covering "expense on funded debt" in connection with new issues. The par value of securities to be sold should be shown on this side of the report.

[fol. 5935] EXHIBIT X-354

November 12, 1924.

1925 Provisional Estimate Illinois Bell Telephone Company

Supplement to Statement F

Line 12

Decrease in Special Deposits (114) to retire Home Telephone Company of Champaign County bonds (See Line 17)	$20,000

Line 17

Estimated amount of Home Telephone Company of Champaign County bonds that will be retired in 1925	20,000

Line 19

Purchase of interest in underground conduit at Hessville, Indiana from A. T. and T. Company	8,000

Line 20

Purchase of following properties from Other Companies:	
Vermillion County Telephone Company	1,163,000
Cairo, Illinois Exchange	175,000
Watseka, Illinois Exchange	80,000
Total	$1,418,000

Line 21

Decrease in Suspense Account (136) balances.	40,000
Transfers (Contra of those included in other requirements and resources) (Credit Items)	60,000
Total	$100,000

Line 33

Notes	Maturing	Amount
Barker Telephone System	1-1-25	$1,600
Inter-County Telephone Company	3-6-25	394
R. I. Thornton	3-16-25	130
T. E. and K. M. Conan	Demand	80
Total		$2,204

Line 35

Sale of Interest in Toll U. G. Conduit and Toll U. G. Cable to A. T. and T. Company	$72,000

Line 37

Estimated Surplus Items	4,000
Interest to be paid from Sinking Fund on bonds to be retired	1,000
Total	5,000
Decrease in Deferred Credit Items (170-A)	3,000
Balance	$2,000

Line 40

Estimated portion of $10,000,000 of new stock to be sold "Others"	$102,000

[fol. 5936]

EXHIBIT X-354

Illinois Bell Telephone Company

Statement F

Provisional Financial Plan—1927[1]

	Requirements:			
1	Gross Additions to Plant (incl. Int. during Const.)	$36,500,000		
2	Plus Cost of Removing Plant	630,000		
3	Less Salvage (incl. gross wiring gain)	4,400,000	$32,730,000	
4	Extraordinary Repairs (Net)		210,000	
5	General Equipment (Gross less Net Salvage)		740,000	
6	Total for Plant and Equipment			$33,680,000
7	Stocks—to Increase Percent of Control (106)[2]			
8	Other Investment Securities (106-109)[2]			
9	Advances and Bills Receivable (new loans) (110, 117)[2] (Except to A. T. & T. Co.)			
10	Miscellaneous Investments, Increase (111) (Excludes transfers from and to Accounts 211 & 212)			
11	Total for Investments and Advances			
12	Cash and Marketable Securities, Increase (113, 114, 116)[2]		*$5,000	
13	Accounts Receivable, Increase (115, 118, 119, 120, 123) (Except loans on open account to A. T. & T. Co.)		375,000	
14	Materials and Supplies, Increase (122 less 122-10)			
15	Total for Increased Current Assets			$370,000
16	Prepayments, Increase (129-133)			5,000
17	Obligations maturing or expected to be paid (153, 155, 157, 163)[2] (Except to A. T. & T. Co.)			
18	Sinking Funds			500,000
19	Purchase of Going or Completed Plant—From Bell Operating Companies[2]			93,000
20	Purchase of Going or Completed Plant—From Other Companies[2]			1,210,000
21	Miscellaneous Debit Items[2]			20,000
22	Grand Total Requirements			$35,878,000
	Resources:			
23	Undivided Profits (Under Existing and Expected Rates	($1,895,000 + 22,000)		$1,917,000
	Charges to Income, etc., not payable in cash in current year:			
24	Wiring Loss (Net)	$1,170,000		
25	Amortization of Debt Discount and Expense (338)	125,000		
26	Accrued Liabilities not Due, Increase (166,167)	620,000		
27	Matured Interest and Dividends Unpaid, Increase (162)		$1,915,000	
	Less Credits to Income, etc., not receivable in cash in current year:			
28	Accrued Income not Due, Increase (124)			
29	Matured Interest and Dividends Rec., Increase (121)			
30	Net Charges or Credits to Income, etc., not payable or receivable in cash in current year			1,915,000
31	Depreciation & Amortization (340, 608 & 609) & depreciation charged Clear'g Accts. (701-2-3 & 4)			10,720,000
32	Investment Securities Sold[2] (Except to A. T. & T. Co.)			
33	Advances and Bills Receivable Maturing—from Others[2]			
34	Increased Current Liabilities (158, 159, 160, 161, 464, 165) (Except loans from A. T. & T. Co.)			2,331,000
35	Sale of Going or Completed Plant—To Bell Operating Companies[2]			
36	Sale of Going or Completed Plant—To Other Companies[2]			
37	Miscellaneous Credit Items[2]			505,000
38	Grand Total Resources			$17,388,000
39	Balance Net Requirements			$18,490,000
	Financing Proposed for Above Net Requirements:			
40	Stocks and Bonds of Co. sold Others[2]	$147,000	Stocks & Bonds of Co. sold A. T. & T. Co	$14,853,000
41	Borrowed from Bankers and Others[2]		Investment Securities sold A. T. & T. Co.[2]	
42	Other[2]	190,000	Loans from A. T. & T. Co. (Net)	3,300,000
43	Total Financing from Others	$337,000	Net Financing from A. T. & T. Co.	$18,153,000
44			Grand Total Financing	$18,490,000

1. Show amounts to nearest thousand dollars, but show last three digits.
2. Specify detail on reverse side of report (or on Supplementary Statement).
Date Issued

* Red figures.

[fol. 5937] Sheet No. 1

Illinois Bell Telephone Company; Provisional Estimate, 1927

Supplement to Statement F

Line 12

5 Per Cent Note, S. B. and H. Eden, maturing 3-1-27	$5,000

Line 19

Purchase from A. T. and T. Co., additional interest in the following toll lines:

Chicago-Terre Haute Cable, Chicago Heights to Beecher	27,000
Chicago-Highlands Cable	19,000
Chicago-Peoria Open Wire Line	30,000
Chicago-Milwaukee Open Wire Line	9,000
Chicago-St. Louis Line, Joliet to Wilmington	8,000
Total	$93,000

Line 21

Estimated increase in Suspense Account (136) balances	$5,000
Estimated surplus charges	15,000
Total	$20,000

Line 37

Estimated withdrawals from the Sinking Fund in accordance with Trust Deed covering the 1923 Bond Issue	$500,000
Estimated Surplus Credits	3,000
Estimated increase in Other Deferred Credits (170 A)	2,000
Total	$505,000

[fol. 5938] Sheet No. 2

Line 40

Estimated portion of installments from "Others" on $30,000,000 of new stock to be

10	Miscellaneous Investments, Increase (111) (Excludes transfers from and to Accounts 211 & 212)			
11	Total for Investments and Advances			
12	Cash and Marketable Securities, Increase (113, 114, 116)[2]		*$5,000	
13	Accounts Receivable, Increase (115, 118, 119, 120, 123) (Except loans on open account to A. T. & T. Co.)		375,000	
14	Materials and Supplies, Increase (122 less 122-10)			
15	Total for Increased Current Assets			$370,000
16	Prepayments, Increase (129-133)			5,000
17	Obligations maturing or expected to be paid (153, 155, 157, 163)[2] (Except to A. T. & T. Co.)			
18	Sinking Funds			
19	Purchase of Going or Completed Plant—From Bell Operating Companies[2]			500,000
20	Purchase of Going or Completed Plant—From Other Companies[2]			93,000
21	Miscellaneous Debit Items[2]			1,210,000
22	Grand Total Requirements			20,000
				$35,878,000
	Resources:			
23	Undivided Profits (Under Existing and Expected Rates,	{$1,895,000 + 22,000}		$1,917,000
	Charges to Income, etc., not payable in cash in current year:			
24	Wiring Loss (Net)	$1,170,000		
25	Amortization of Debt Discount and Expense (338)	125,000		
26	Accrued Liabilities not Due, Increase (166,167)	620,000		
27	Matured Interest and Dividends Unpaid, Increase (162)		$1,915,000	
	Less Credits to Income, etc., not receivable in cash in current year:			
28	Accrued Income not Due, Increase (124)			
29	Matured Interest and Dividends Rec., Increase (121)			
30	Net Charges or Credits to Income, etc., not payable or receivable in cash in current year			1,915,000
31	Depreciation & Amortization (340, 608 & 609) & depreciation charged Clear'g Accts. (701-2-3 & 4)			10,720,000
32	Investment Securities Sold[2] (Except to A. T. & T. Co.)			
33	Advances and Bills Receivable Maturing—from Others[2]			
34	Increased Current Liabilities (158, 159, 160, 161, 164, 165) (Except loans from A. T. & T. Co.)			2,331,000
35	Sale of Going or Completed Plant—To Bell Operating Companies[2]			
36	Sale of Going or Completed Plant—To Other Companies[2]			
37	Miscellaneous Credit Items[2]			505,000
38	Grand Total Resources			$17,388,000
39	Balance Net Requirements			$18,490,000
	Financing Proposed for Above Net Requirements:			
40	Stocks and Bonds of Co. sold Others[2]	$147,000	Stocks & Bonds of Co. sold A. T. & T. Co	$14,853,000
41	Borrowed from Bankers and Others[2]		Investment Securities sold A. T. & T. Co[2]	
42	Other[2]	190,000	Loans from A. T. & T. Co. (Net)	3,300,000
43	Total Financing from Others	$337,000	Net Financing from A. T. & T. Co.	$18,153,000
44			Grand Total Financing	$18,490,000

1. Show amounts to nearest thousand dollars, but show last three digits.
2. Specify detail on reverse side of report (or on Supplementary Statement). * Red figures.

Date Issued

[fol. 5937] Sheet No. 1

Illinois Bell Telephone Company; Provisional Estimate, 1927

Supplement to Statement F

Line 12

5 Per Cent Note, S. B. and H. Eden, maturing 3-1-27	$5,000

Line 19

Purchase from A. T. and T. Co., additional interest in the following toll lines:

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Chicago-Peoria Open Wire Line	30,000
Chicago-Milwaukee Open Wire Line	9,000
Chicago-St. Louis Line, Joliet to Wilmington	8,000
Total	$93,000

Line 20

Purchase of the following properties from the Central Union Telephone Company:

Vermilion County Telephone Company	$1,132,000
Watseka Telephone Company	78,000
Total	$1,210,000

Line 21

Estimated increase in Suspense Account (136) balances	$5,000
Estimated surplus charges	15,000
Total	$20,000

Line 37

Estimated withdrawals from the Sinking Fund in accordance with Trust Deed covering the 1923 Bond Issue	$500,000
Estimated Surplus Credits	3,000
Estimated increase in Other Deferred Credits (170 A)	2,000
Total	$505,000

[fol. 5938] Sheet No. 2

Line 40

Estimated portion of installments from "Others" on $30,000,000 of new stock to be issued 9-30-27	$147,000

Line 42

6 Per Cent Bonds, maturing 11-30-39 to be assumed in the purchase of The Vermilion County Telephone Co. included in Line 20	$190,000

November 10, 1926.

CA- 4.13

NET PROFITS BEFORE DEDUCTING FEDERAL TAXES ON SALES OF NEW A.T. & T. INSTRUMENTS IN EXCESS OF 20% OVER COMPLETE COST PROVIDED UNDER 1882 CONTRACT AND SURPLUS RESULTING FROM BILLING OF WAREHOUSE EXPENSE APPLYING ON NEW AND REPAIRED A. T. & T. INSTRUMENTS JANUARY 1, 1915 TO DECEMBER 31, 1926.
(Expressed in Thousands of Dollars)

1. 1926 Results.	a Analysis of 1926 Actual Selling Price Based on Estimated Cost	b Based on Actual Costs 1926 Selling Price Would Have Been	c Difference (a-b)	
Shop Cost	$3,716,497	$3,498,871	$217,626 +	1
Development Expense	382,799	442,000	59,201 -	2
Distribution Expense	286,170	278,600	7,570 +	3
Complete Cost	4,385,466	4,219,471	165,995 +	4
Profits (20% of Line 4)	877,093	843,894	33,199 +	5
Selling Price	5,262,559	5,063,365	199,194 +	6
Selling Price (on basis of Col.b)	5,063,365			7
Profits more than 20% over Complete Cost by (6 - 7)	199,194			8

2. Results from January 1, 1915 to December 31, 1926.

Profits and Losses due to not revising selling prices as costs changed.		
1919 Prices increased August 16, 1919.		
If new sales prices based on Shop Estimate of Costs for 1919 had been put into effect January 16, 1919, Profits would have been increased 21% or	(376,000)	9
1920 Prices increased September 16, 1920.		
If new sales prices based on Shop Estimate of Costs for 1920 had been put into effect January 16, 1920, Profits would have been increased 23% or	(618,000)	10
Total for 1919 and 1920	(994,000)	11
1921 Prices decreased November 16, 1921.		
If new sales prices based on Shop Estimate of Costs for 1921 had been put into effect January 16, 1921, Profits would have been decreased 19% or	800,000	12
Net due to not changing prices promptly ~~included in prices~~	(194,000)	13
Surplus representing excess of Development Loading ~~figured at Standard Rates~~ over Actual Expense	(798,000)	14
Surplus representing excess of Distribution Loading ~~figured at Standard Rates~~ included in prices over Actual Expense	(22,000)	15
	(1,014,000)	16
Surplus representing excess of estimated Shop Costs used in determining Selling Prices over the Actual Shop Costs	451,000	17
	(563,000)	18
Profits - 20% of Line 18	(112,000)	19
Total Profit from January 1, 1915 to December 31, 1926 in excess of 20% over Complete Cost	(675,000)	20
Surplus in billing of Warehouse Expense January 1, 1915, to December 31, 1926	69,000(u)	21
Grand Total Surplus (20 + 21)	(606,000)	22

[fol. 5940]

EXHIBIT X-366

Date Issued: June 8, 1926

Western Electric Company, Incorporated, General Accounting Department

Telephone Department

Scat. 4.14

Net Profits on Investment in New A. T. & T. Instruments, 1916 to 1925

The return on investment in new A. T. & T. instruments for 1925 was 8.5%, as compared with 14.2% in 1924. The lower return in 1925 results principally from the current shop cost of instruments exceeding the estimated shop cost used as basis for prices by $255,000. Excluding effect of this item the 1925 return would have been 12.3%.

	a	b	c	d	e	f	g	
	Sales	Net profits on sales of A. T. & T. instruments before deducting taxes	Per Cent of sales (b÷a)	Federal taxes	Net profits after deducting taxes (b−d)	Average investment (S)	Return on investment (e÷f)	
1925	$5,017,587	$624,363 (U)	12.4	$85,000	$571,363 (V)	$6,707,000	8.5%	1
1924	4,900,159	975,243	19.9	117,000	858,243	6,052,000	14.2	2
1923	4,496,482	698,036	15.5	78,961	619,075	5,482,000	11.3	3
1922	4,342,821	893,321	20.6	111,665	781,656	5,045,000	15.5	4
1921	4,597,725	1,064,303	23.1	106,431	957,872	6,054,000	15.8	5
1920	3,852,712	606,029	15.7	60,603	545,426	5,262,000	10.4	6
1919	2,530,083	□ 187,453	□ 7.4	0	□ 187,453	3,196,000	□ 5.9	7
1918	2,230,155	123,923	5.6	14,871	109,052	2,601,000	4.2	8
1917	2,420,569	422,791	17.5	30,864	391,927	2,813,000	13.9	9
1916	2,200,641	180,690	8.2	4,517	176,173	2,934,000	6.0	10
	36,588,934	5,401,246	14.8	609,912	4,823,334	4,615,000	10.5	11

□ Indicates negative figures.

(S) Average investment represents the book cost of plant and working assets less current accounts payable.

(U) Reconciled with Scat-4.13 report as follows:

	1925	
Column, b, line 5, Scat-4.13		
Profit W. E. Company should earn (20% over completed cost before adding Federal Income Tax) Column a, line 8, Scat-4.13	$878,645	12
Profits less than 20% by	254,282	13
Total net profit before deducting Federal Income Tax (12—13)	624,363	14

(V) Includes "Other Income Received" applicable to A. T. & T. Instruments amounting to $32,000.

Copy to: General Telephone Sales Manager, General Contract Sales Manager, Telephone Price Manager, Comptroller, Assistant Comptroller, Chief Statistician.

5027

[fol. 5941] EXHIBIT X-376

(Copy)

Kellogg Switchboard and Supply Company, Chicago, Illinois

September 18, 1922.

Mr. F. B. Gleason, General Sales Manager, Western Electric Co., 195 Broadway, New York.

DEAR MR. GLEASON: I am in receipt of your letter of September 13th enclosing specifications and drawings of a lamp which would be satisfactory to the Bell System. We find that our terminals and terminal block will not meet your specifications which would require that we work to *to* dimensions for terminals and terminal blocks, given on your sketches E. S. 281811 and 281812. This we would be glad to do, but would require about 60 days to make up the necessary tools.

We are mailing you under another cover terminal blocks for our lamps made of Bakelite, also one of our lamps fitted with a bakelite base, to show you what we would propose for your lamp mounting block, should we make same here.

We quote you on these lamps a price of 35¢ each f. o. b. Chicago, less 10%, plus another 10% to you for distributing charges, or a net price to you of 35¢, less 10% and 10%.

Yours very truly, (Sgd.) J. B. Edwards, President.

[fol. 5942] (Copy)

November 11, 1922.

Mr. J. B. Edwards, President Kellogg Switchboard and Supply Company, Adams and Aberdeen Streets, Chicago, Illinois.

DEAR MR. EDWARDS: We have been looking into the suggestion contained in your letter of September 18th, that we consider using bakelite mounting blocks for our lamps. We find that the maple mounting blocks are preferable from our standpoint, and any lamps which you may furnish us should therefore be in accordance with the specifications sent you with my letter of September 13th.

Your letter of September 18th also refers to a price to us for lamps made in accordance with these specifications

of 35¢ each f. o. b. Chicago, less 10 and 10, making a net price of 28.35¢. As explained to you in connection with your previous quotation, it is essential that the price to the Associated Bell Companies for the lamp which you make be no higher than the price which they are now paying for the lamp we manufacture. As we have to cover our cost of inspection, freight and handling, it is necessary that the price which we pay you shall not exceed 25¢ each f. o. b. Chicago. In view of the quantity of these lamps which we are planning to order, we trust you will be able to quote us a price which will enable us to satisfy our customers and which will at the same time be entirely satisfactory to you.

We are ready to place our initial order as soon as this question of price can be settled.

Yours very truly, —— ——, General Telephone Sales Manager.

[fol. 5943] (Copy)

Kellogg Switchboard and Supply Company, Adams and Aberdeen Street

November 15, 1922.

Mr. F. B. Gleason, Genl. Tel. Sales Manager, Western Electric Co., 195 Broadway, New York City.

Dear Mr. Gleason: Replying to your letter of November 11th, as stated therein, this lamp order seems to be contingent on the price mentioned of 25¢ each.

While platinum is a little high at this time for that price, yet in the long run I think the price will be very fair and in view of the quantity you have in mind, this is to advise we will be glad to accept your order for delivery at the price of 25¢ each, F. O. B. Chicago.

I would request, as you know this involves new tooling throughout on the terminal blocks, that you furnish us with a set of specifications and drawings complete for these parts; also we would like to have you specify the coloring for the terminal block and if you so desire, the processing, if there is any that you prefer to have, as of course, we wish to make the lamps conform as far as possible to your regular specifications.

Hoping to receive this order with the drawings and specifications in the near future, I remain,

Yours very truly, (Sgd.) J. B. Edwards, President.

[fol. 5944] (Copy)

December 4, 1922.

J. B. Edwards, President Kellogg Swbd. and Supply Co., Adams and Aberdeen Sts., Chicago, Illinois.

Dear Mr. Edwards: Answering your letter of November 27th.

You may proceed with our order for 180,000 Type 2-G Lamps, to be delivered at the rate of 30,000 per month, beginning February 1923.

It is understood that these lamps will be made in accordance with the specifications submitted to you with my letter of September the 13th and will be subject to our inspection. Our formal order will be sent you in a few days through the regular channels.

Yours very truly, (Sgd.) F. B. Gleason, General Telephone Sales Manager.

[fol. 5945] (Copy)

April 14, 1923.

Memorandum for File

Mr. Gleason told me this morning that he had discussed with Mr. Edwards the question of prices on Kellogg additions and he was assured that the price to us would be—

30 and 5 off the price to the miscellaneous independent customers

20 and 5 off that for the larger independent customers

10 and 5 off their best price to any of their independent customers

SWM JE.

Copied—EC.

[fol. 5946] Copy

May 8, 1923.

J. B. Edwards, President Kellogg Switchboard and Supply Company, Adams and Aberdeen Street, Chicago, Illinois.

Dear Mr. Edwards: In accordance with our talk in Chicago on April 30th, we will take immediate steps towards

placing on your factory orders for various quantities and types of magneto telephone subscriber sets, beginning with the 300-K, 305-AC, 315-H and 317-AH types, on which prices were quoted in your letters of May 23rd and 26th, which prices are subject to a 5% discount as agreed to in a subsequent talk during my previous visit to Chicago.

Within the next few weeks Mr. J. B. Harlow, Telephone Sales Engineer, and Mr. J. H. Hellweg, Hawthorne Merchandise Manager, together with representatives of our Engineering and Manufacturing Departments, will confer with your people as to the detailed procedure to be followed.

In getting this work started, I should like to summarize in brief, for their guidance, certain general matters we agreed to in our talk last week, and in our previous negotiations. The quotations you have furnished us so far are f. o. b. your Chicago factory or delivered at Hawthorne. The terms of payment are ninety days. You have not quoted us on any other types of magneto sets than those [fol. 5947] referred to above, but it is our intention to place orders with you for other types of magneto sets. We understand that you will quote us prices consistent with and on the same terms as the quotations already received. While we are satisfied that the prices quoted represent a fair basis upon which to proceed with initial orders, it is your belief and our expectation, that should the initial orders work out satisfactorily to both parties, lower prices consistent with shaken-down production costs will be quoted for any subsequent orders which we might decide to place with your Company. We have every hope that such further orders will be forthcoming, but that of course must be contingent upon the satisfactory performance on the initial orders from the standpoint of quality and service as well as price.

Questions regarding the transfer of tools and possibly piece parts and materials the size and type of initial orders, and stocks and deliveries, will be taken up by Mr. Harlow and Mr. Hellweg when they confer with your people in Chicago.

Yours very truly, —— ——, General Telephone Sales Manager.

JE.

[fol. 5948] Copy

Kellogg Switchboard & Supply Co., Adams and Aberdeen Street-, Chicago

May 16, 1923.

Mr. F. B. Gleason, General Telephone Sales Manager, Western Electric Company, 195 Broadway, New York City, N. Y.

Dear Mr. Gleason: Replying to your letter of May 14th regarding the Victor and Delmar additions, beg to advise this matter is now in the hands of our engineering department and we will advise you of the prices as soon as they have completed their specifications.

On this subject, take what we call "maintenance material" from our catalogue, we are pricing this at a discount to you of 10 and 5%. On our larger orders involving estimates we are also pricing these to run to you at a discount of 10 and 5% below our best billing elsewhere, as was understood during our conversation here, namely that you were to receive for the Western Electric Company this extra 5%.

The question arises this morning on some orders direct to us from the Southwestern Bell. One order in particular No. CE 10729. We will hold this as well as similar orders awaiting instructions as to how we shall bill these. Shall we bill direct to the Southwestern Bell; will we bill at your price, or will we bill them to you?

We would be glad to hear from you at your early convenience on this matter, as we are holding up considerable billing waiting instructions.

Yours very truly, (Signed) J. B. Edwards, President.

JBE: IH.
Copied—EC.

[fol. 5949] EXHIBIT X-402

Copy

American Telephone and Telegraph Company, 195 Broadway, New York

Charles M. Bracelen, Vice-President and General Counsel

September 21, 1931.

Mr. Benjamin F. Goldstein, Attorney-at-law, Otis Building, Chicago, Ill.

DEAR SIR: I acknowledge receipt of your letter of September 15th asking that you be permitted to inspect, at the office of the Illinois Bell Telephone Company in Chicago, 101 reports and forms itemized in a list attached to your letter.

There will be made available to you at once at the office of the Illinois Bell Telephone Company, under the supervision of Mr. W. D. Kurtz, General Manager of the company, all of the reports and forms referred to in the list, with the exception of the following:

196 L 36. Comparison of Actual Results with view No. 22A.

196 L(2) 37. Review of Provisional Estimate 22B—Sheet 1.

196 L(3) 38. Review of Provisional Estimate 22B—Sheet 2.

196 L(4) 39. Review of Provisional Estimate 22B—Sheet 3.

196 L 40. Present view of Next Year No. 22C.

(Furnish copy of letter to A. T. & T. Co. accompanying Provisional Estimate when sent.)

731 54. Summary of Provisional Estimate 1931, Statement A.

732 55. Supplemental Data on Stations, Plant, Revenue and Expenses—Prov. Estimate 1931 Statement B.

733 56. Estimate Plant and General Equipment Expenditures 1931-1933.

[fol. 5950] Provisional Estimate 1931 Statement C.

734 57. Estimate of Cash Requirements—Statement D—Provisional Estimate—Estimated quantities of new materials required to be delivered in 1931-1932-1933.

735 58. Prov. Estimate 1931—Statement E.

The reports above listed we decline to furnish.

The request for information with respect to amounts owing to or from the American Telephone and Telegraph Company, the Western Electric Company and/or the Illinois Bell Telephone Company, is answered in a letter which I am mailing you today.

Very truly yours, C. M. Bracelen, Vice-President and General Counsel.

[fol. 5951] Benjamin F. Goldstein, Attorney & Counselor, Otis Building, Chicago

Telephone Dearborn 8244

July 28, 1931.

Messrs. Charles N. Bracelen, Horace Kent Tenney, William M. Thompson, Kenneth M. Burgess, Attorneys and Counsel for Illinois Bell Telephone Company.

GENTLEMEN: On July 17, 1931, we wrote you as follows:

"We hope to have ready within a short time our request with reference to the further information desired covering the Heiss testimony and exhibits."

We are enclosing you herewith our request for such additional information, which request is made pursuant to our letter of May 28, 1931, and subject to the conditions therein stated. To the extent that you consider that the exhibits offered before the Ohio Commission, copies of which were sent to us, supply the information requested by us herewith, you will please so indicate.

We will appreciate very much if you will advise us as soon as you conveniently can whether and when you will furnish, and/or make available the data requested by us herewith and in our letter of July 17, 1931, so that we may regulate our plans accordingly.

Very truly yours, —— ——.

BFG-McC.

[fol. 5952] "Defendants' Request, Made July 28, 1931, In re American Telephone & Telegraph Company (A. T. & T.), Relationship to Bell System in Illinois Bell Telephone Company vs. Frank L. Smith, et al."

1. Furnish Annual Budget showing for each year 1918-1930, both inclusive, receipts and disbursements, and requirements of A. T. & T.

2. Furnish for inspection sample forms of all monthly, annual and other periodic reports made by associate companies (and special forms, if any, of reports made by Illinois Bell), by Western Electric and by all other subsidiaries of A. T. & T. and/or Western Electric to the A. T. & T. and/or to the Western Electric.

3. Furnish for inspection "fundamental plans" covering Chicago since 1910, including all studies as part thereof.

4. Give full statement of arrangement, 1918-1930, both inclusive, between A. T. & T. and the user of the service indicated below and arrangement between A. T. & T. and the Illinois Bell covering its share of the revenue for such service; where special contract is used, so state; where standard form of contract with licensee is used, produce form of contract:

(a) Telegraph circuits for private use of individuals and institutions, and for use of governmental departments in Chicago (press associations, newspapers, commercial, financial and other organizations). State—(1) number of circuits used in Chicago; (2) how much property in Chicago belongs to the A. T. & T. used in that service; (3) who owns and who is manufacturer of telegraph printers used in service; (4) gross revenue to A. T. & T. and to Illinois Bell from such service yearly from 1918-1930, both inclusive;

(b) Telephone Circuits provided for private use in long distance service—State—(1) number of such circuits in use in Chicago; (2) number of hours of operation contracted for; (3) how much property in Chicago belongs to A. T. & T. used in that service; (4) gross revenue to A. T. & T. and to Illinois Bell from such service—yearly 1918-1930, both inclusive;

(c) Foreign Exchange Service—state (1) number of lines in use in Chicago; (2) gross revenue to A. T. & T. and

to Illinois Bell from such service yearly 1918-1930, both inclusive;

(d) Networks of telephone circuits for transmitting programs from studios or other places at which they are picked up to the radio station or system of stations from which they are broadcast—state (1) number of radio stations in Chicago and within the Chicago control area using circuits regularly; (2) number of circuits in use in Chicago; (3) apparatus manufactured by Western Electric and used in furnishing and/or receiving this service; (4) number of [fol. 5953] telephone men of Illinois Bell used in that service; (5) gross revenue to A. T. & T. and to Illinois Bell from such service yearly to 1930, inclusive; (6) property of A. T. & T. in Chicago in use in service;

(e) Telephoto service—state (1) property of A. T. & T. in Chicago in use in service; (2) number of customers in Chicago using service; (3) gross revenue to A. T. & T. and Illinois Bell from such service yearly to 1930, inclusive; (4) apparatus manufactured by Western Electric and used in this service;

(f) Telephone service in connection with aircraft operations—state (1) stations in Chicago using service; (2) property of A. T. & T. used in that service in Chicago; (3) gross revenue to the A. T. & T. and Illinois Bell from that service yearly to 1930, inclusive; (4) apparatus manufactured by Western Electric and used in this service;

(g) Telephone services to railroads and other public utilities—state (1) number of railroads using train dispatching service in Chicago; (2) number of private telephone circuits used by such railroads in Chicago to or from areas outside Chicago and leased by A. T. & T.; (3) special services or private wires leased by A. T. & T. to electric power companies, oil pipe line companies and other utilities in Chicago; (4) gross revenue to A. T. & T. and to Illinois Bell from services yearly 1918-1930, both inclusive.

5. Furnish list as of January 1st each year 1918-1931, both inclusive, of personnel of Bell Telephone Laboratories, Inc. and of its corresponding department in the Western Electric (prior to 1925) who came from Licensee Companies.

6. Furnish statement showing number of hand telephones purchased by A. T. & T. yearly to December 31,

1927, and made available to Bell licensees—number of hand telephones sold to Illinois Bell on December 31, 1927; number of hand telephones and desk telephones in use in Bell System on January 1, 1927; Jan. 1, 1928, January 1, 1929, January 1, 1930, January 1, 1931. State when hand sets were first manufactured by Western Electric; when application for patents were filed; when hand sets were first installed in Bell System; when hand sets were made available or standard for Bell System installation.

7. Furnish statements showing A. T. & T. arrangement with customers for use of Bell System facilities in:

(a) Short period and full talk service
(b) Morse service
(c) Key town calling plan
(d) Sequence calling plan

and arrangement with Illinois Bell for the use of the latter's facilities in Chicago in connection with each class of service.

[fol. 5954] 8. Furnish statement covering teletype service from date when service became available in Chicago to June 30, 1931, including:

(a) Price paid by A. T. & T. and Western Electric for Teletype Company.

(b) Balance sheet of Teletype Company on date of purchase by A. T. & T. and on date of purchase by Western Electric.

(c) Number of concerns using service and number of machines in service in Chicago.

(d) Arrangement between A. T. & T. and the Illinois Bell for use of the latter's Chicago facilities in connection with teletype service using also A. T. & T. facilities;

(e) Facilities in Chicago owned by A. T. & T. and Western Electric and/or any of their subsidiaries in Chicago devoted to teletype service—classify facilities.

(f) Arrangement by A. T. & T. and/or Illinois Bell with users of teletype service making use of Chicago facilities of Illinois Bell and/or A. T. & T.

(g) Give gross receipts of A. T. & T. from that service in Chicago and portion paid to Illinois Bell, where facilities are jointly used.

(h) State who owns patents to teletype and tapetype equipment in use in Chicago and what arrangement is made with user of service for sale or lease of such equipment.

9. Furnish yearly statement 1918-1930, both inclusive, showing:

(a) Number of additional shares of A. T. & T. stock offered to shareholders at par, stating proportion of new shares to shares held.

(b) Offers to stockholders of A. T. & T. of bonds—give bases of offer as to price of bonds and amount to be allotted each stockholder.

(c) Price at which stock was offered to Bell System employees' stock plan.

(d) Price of stock at which bondholders could convert their bonds into A. T. & T. stock during period to 1931.

(e) As to stock offered under (a), show—

(1) Market value of a share of A. T. & T. stock at opening and closing date of subscriptions to new A. T. & T. stock.

(2) Average shares offered per holder.

(3) Average shares per subscription:

(a) Fully paid
(b) Installment

(4) Number of fully paid subscriptions and number of installment subscriptions.

[fol. 5955] (5) Number of rights purchase and sale transactions; number of rights involved in rights transactions handled through the offices of

(a) Illinois Bell.
(b) A. T. & T.
(c) Bell Telephone Securities Co.
(d) All Bell Licensees.

(6) Subscriptions for new stock filed at the offices of

(a) Illinois Bell.
(b) A. T. & T.
(c) Bell Telephone Securities Co.
(d) All Bell Licensees, showing in each case:

(1) Number of transactions,
(2) Amount of stock subscribed according to

(1) Fully paid subscriptions,
(2) Installment subscriptions.

(7) Follow-up by all Licensees and by Illinois Bell of stockholders who had failed to utilize their subscription rights, showing:

(a) Number of persons listed sent to Licensees and to Illinois Bell,

(b) Number of stockholders reached by—

(1) Telephone conversation,
(2) Personal interviews,
(3) Letters.

(f) Show data corresponding to (e) above covering offer of bonds to stockholders.

(g) Expense to A. T. & T. and/or to Bell Telephone Securities Company in connection with each issue, itemizing major items of expense and stating portion of expense included in License Contract Service expense in Heiss Exhibits;

(h) Show amount of compensation paid to Licensees and to Illinois Bell, or to their respective employees, for services rendered in connection with stock and bond offers, and amount for expense reimbursed to Illinois Bell, and/or to their respective employees.

(i) Show yearly amounts collected by Illinois Bell on account of stock and bond subscriptions and remitted to A. T. & T. and/or Bell Telephone Securities Company.

10. State whether A. T. & T. makes arrangements with customers for "Trade Mark Where to Buy It Service" in directories, and if it does, state arrangement between A. T. & T. and Illinois Bell for compensation to Illinois Bell for use of its directories in that service.

[fol. 5956] 11. State for each year 1918-1930, both inclusive, amount of A. T. & T. stock purchased by holders of convertible bonds through exercise of the conversion privilege—the price paid for stock—amount of premium above par received by A. T. & T. for stock so sold.

12. Furnish copy of Contracts between A. T. & T. and the Western Union Telegraph Co. and Postal Telegraph & Cable Corporation, covering:

(a) Use of Bell System facilities for transmission of telegraph messages.

(b) Use of apparatus developed by Bell Telephone Laboratories by which a single pair of telegraph wires may be made to serve as several telegraph channels.

(c) Use of Bell System telephoto service for transmission of facsimile signatures. State arrangement between A. T. & T. and Illinois Bell covering latter's share of compensation for use of its facilities in those services.

13. Extend Heiss Exhibit 10 and all supporting exhibits to cover the years 1918 to 1922, both inclusive.

14. Furnish statement showing for each of the years 1918-1930, both inclusive:

(a) Income and Expense accounts for A. T. & T.

(b) Portion of Income and Expense accounts allocated to Long Lines Department—itemized.

(c) Portion of Income and Expense accounts allocated to operations other than to Long Lines Department and to License Contract services—itemized.

(d) Average investment in Long Lines Department before and after deducting the depreciation reserve account.

(e) Average investment to which the income and expense accounts stated in (c) above are applicable.

15. Furnish statement showing for each year from 1918-1930, both inclusive, the

(a) Amount of salaries and number of persons whose salaries were subject to apportionment between—A. T. & T. —and any of its subsidiaries or any of the subsidiaries of the Western Electric. State basis and amount apportioned to each company.

(b) Amount of salaries and number of persons whose salaries were subject to apportionment between departments furnishing license contract services and non-license contract services of A. T. & T.

(c) Amount of salaries and number of persons whose salaries were subject to apportionment between departments of the Western Electric furnishing license contract

services (Department of Western Electric, a portion of whose expense of operation was charged to A. T. & T. prior to organization of Bell Telephone Laboratories, Inc.) and non-license contract operations of Western Electric.

[fol. 5957]. 16. Furnish Organization Chart for each of the years 1916, 1918, 1925, 1929, 1931, if possible for:

(a) A. T. & T.
(b) Bell Telephone Laboratories, Inc.
(c) Department of Western Electric performing functions taken over by Bell Telephone Laboratories, Inc.
(d) Other Departments of Western Electric a portion of whose expense was chargeable to A. T. & T. and allocated to License Contract services.

17. State name of person in each department shown in above charts who is familiar with and is qualified to testify regarding the facts of its operation.

18. Furnish for inspection the Consolidated Income Tax Returns of A. T. & T. and its subsidiary companies, beginning with the first such statements filed to 1930, inclusive.

19. Furnish December monthly report made by Illinois Bell and of Long Lines Department for each year 1918-1930, both inclusive.

20. Furnish for inspection A. T. & T. advertising copy for each year, 1918-1930, both inclusive, whose expense is charged as part of license contract service expense.

21. Furnish statement showing for each of the years 1918-1930, both inclusive:

(a) Number of units of receivers, transmitters and induction coils owned by A. T. & T. and in use by Associated Companies, and number of units of each held in reserve by A. T. & T. for them.
(b) Investment of A. T. & T. in receivers, transmitters and induction coils and average depreciation reserve.
(c) Price per unit paid to Western Electric by A. T. & T. and by non-Bell customers—also by Associated Companies and non-Bell customers 1928-1930, both inclusive.

(d) Depreciation expense, maintenance expense and taxes on telephone instruments.

(e) Analysis of depreciation reserve on telephone instruments from 1912-1927, both inclusive—and of $5,629,467 transferred from appropriated surplus to depreciation reserve in July, 1912.

(f) Amount of purchases by A. T. & T. of receivers, transmitters and induction coils and amount of sales by Western Electric to non-Bell customers, 1918 to 1927, both inclusive.

(g) Depreciation rates, life and salvage figures, on telephone instruments 1918-1927, both inclusive.

22. Furnish analysis of Surplus Account of A. T. & T., 1918-1930, both inclusive, separating appropriated and unappropriated surplus accounts.

[fol. 5958] 23. Furnish all blank accounting forms nominally approved by Comptroller, and all blank accounting forms in use by Illinois Bell and by Long Lines Department not approved by Comptroller.

24. Furnish for inspection catalogue of forms in use in Bell System, including Long Lines Department.

25. Furnish forms for use of associated, affiliated companies and Long Lines Department in preparing Budgets, together with intructions how to fill out.

26. Furnish A. T. & T. Treasurer's statement 1918-1930, both inclusive—quarterly, if possible.

27. Furnish December monthly report for each year 1918-1930, both inclusive, where possible, of "Analysis of Expense by classes of work", of—

(a) Department of Development and Research of A. T. & T.,

(b) Bell Telephone Laboratories, Inc.

28. Furnish Balance Sheets and Income statements, and Treasurer's cash statements of all subsidiary companies of A. T. & T. for each of the years 1918-1930, both inclusive.

29. Furnish Yearly, A. T. & T. Report to Interstate Commerce Commission for years 1918-1922, both inclusive.

30. Furnish revised or new License Contract, of any, with Illinois Bell in force since 1926.

31. Furnish Interstate Commerce Commission annual report Schedules and prescribed accounts in which "Estimated Costs of Rendering License Contract Services" are contained for each year 1918-1922, both inclusive.

32. Furnish Estimated Cost to Illinois Bell of services under the License Contract based on an apportionment of Total License Payments by all companies 1918-1930, both inclusive, "to correspond to Heiss Exhibit 20."

33. Furnish for inspection work sheets showing underlying data used in computations including average number of stations in service, balance sheet and income statement of companies using license services.

34. Furnish Analysis for each year 1918-1930, both inclusive, of Departmental Expense of A. T. & T. and portion allocated:

(a) Long Lines Department.
(b) License Contract service.
(c) Other Operations.

35. Furnish copies yearly booklet issued by Bell Telephone Securities Company and samples of all pamphlets and literature issued by it since date of organization.

[fol. 5959] 36. Furnish Analysis of Estimated Costs of carrying physical property investment, of holding funds available for licensees and of temporary financing of licensees for each year 1918-1922, both inclusive, similar to analysis already furnished for years 1923-1930, both inclusive.

37. Furnish statement showing for each of the years 1918-1930, both inclusive:

(a) Book cost of real estate owned by A. T. & T. and/or its subsidiaries.
(b) Cash.
(c) Deposits.
(d) Employees' Working Fund devoted to A. T. & T. operations and separate.

(1) Portion of (a), (b), (c) and (d) considered as devoted to License Contract services, to Long Lines Department, to other operations of A. T. & T. Company.

38. Furnish statement showing for each year 1918-1930, both inclusive, kind and amount of securities received by A. T. & T. for "cash taken" by associated companies and by Illinois Bell; also furnish statement to correspond to City Exhibit 142-C as extended and analyzed by prewent requests showing "Estimated Requirements", "Cash Taken", "Securities Received by A. T. & T. for "Cash Taken", to cover

(a) All subsidiary and/or affiliated companies of A. T. & T. and/or of Western Electric (by company) other than associated companies included in City Exhibit 142-C

(b) Long Lines Department

(c) Operations of A. T. & T. other than Long Lines Department.

39. Extend to include years 1929-2930, both inclusive the following exhibits prepared by Mr. Heiss and appearing in Record Vol. VI.:

(a) City Exhibit 142 (page 2291) "Average Loans to Each Licensee Company"

(b) City Exhibit 142-A (page 2292) "Amounts Received from all Associated Bell Companies for License Payments"

(c) City Exhibit 142-C "Estimated Requirements and Cash Taken".

(d) City Exhibit 142-D "Variations from 5.88% Charge for Funds". Furnish statement to correspond to this exhibit to cover subsidiary or affiliated companies of A. T. & T. and/or Western Electric other than licensees.

(e) City Exhibit 142-E "Cost of Capital"

(f) City Exhibit 142-F (Major Cases of Proceeds from Public Financing placed with A. T. & T. etc." Furnish statement showing for each year total average amount of money of licensees or other subsidiary or licensee companies placed with A. T. & T. on deposit (by company)

(g) City Exhibit 148 "Cost of Capital etc."

[fol. 5960] 40. State basis of sale of New York Office Building to Real Estate Corporation 1925-1926, shown in Heiss Exhibits as devoted to License Contract service prior

to date of sale. State rental included in License Contract service charges, for use of building after date of sale.

41. Furnish Annual Report to stockholders of A. T. & T. each year 1918-1930, both inclusive.

42. Furnish for inspection the audits of A. T. & T. for each year 1918-1930, both inclusive, made by accounting firms such as Lybrand, Ross Bros. & Montgomery.

43. Furnish copy of contract between Bell Telephone Laboratories, Inc., and A. T. & T., Western Electric, Electric Research Products, Inc., and Teletype Corporation, covering services of the Bell Telephone Laboratories, Inc. to each and the basis of charge to each therefor; if no formal contract exists, state basis of arrangement in each case.

44. Where any item of Revenue or Expense used in the computations to arrive at estimated costs incurred in Rendering License Contract Service, Long Lines services and other operations, does not correspond in amount to that item used in the A. T. & T. income tax return (as a separate corporation), show:

(a) Amount used in computation.
(b) Amount used in tax return.

Where the amount used in the tax return has not been accepted by the Internal Revenue Department, show also the amount claimed by it as proper, and the amount comprised, if any. State the last year that the Federal Income Tax return has been audited by the Treasury Department. State the result of the audit for all years from the date when consolidated income tax returns were first filed. Have any changes been made voluntarily by the A. T. & T. since the filing of its consolidated Income Tax Returns, and if so, state year and character of changes made.

45. Where the estimated cost of rendering the License Contract services includes payments made by the A. T. & T. to the Western Electric and/or to the Bell Telephone Laboratories, Inc., and/or to any other subsidiaries of the A. T. & T. or of Western Electric or of Bell Telephone Laboratories, Inc., state amount of payment in each case, name of company rendering service and indicate the books

of record showing payments made by A. T. & T. for each year 1918-1930, both inclusive.

46. Furnish statement showing receipts and disbursements of A. T. & T. (quarterly, if possible) allocable to:

(a) License Contract Services.
(b) Dividends and interest on A. T. & T. securities and/or their retirement.
(c) Other operations of A. T. & T.

[fol. 5961] 47. Furnish statement showing amount paid by A. T. & T. for advertising each year 1918-1930, both inclusive, and apportionment thereof to

(a) Long Lines Department.
(b) License Contract Services.
(c) Western Electric.
(d) Other operations of A. T. & T.

State portion of payments made to licensees for advertising.

48. Furnish statement showing for each year 1918-1930, both inclusive:

(a) Bond discount included in computation of "average cost of funds used in business".
(b) Amount of bond discount charged as expense in same year in Federal Income Tax return.
(c) Amount of bond discount charged as expense in same year in Annual Report to stockholders.
(d) Amount of discount charged as expense in same year in report filed with Interstate Commerce Commission and Illinois Commerce Commission.

49. Furnish statement showing sale to Illinois Bell on December 31, 1927, of telephone instruments to correspond to statement submitted showing sale to Ohio Bell Telephone Co.

50. Furnish for inspection copies of Annual Estimate and Five Year Estimate made to A. T. & T. by Illinois Bell and by Bell Licensees of requirements for each year 1918-1930, both inclusive.

51. Furnish analysis of taxes for years 1918-1922, both inclusive, to correspond to analysis furnished in Ohio Case

July 6, 1931, for years 1923-1930, both inclusive. Furnish amount of taxes paid on instruments in possession of Illinois Bell yearly 1918-1927, both inclusive. Furnish for inspection work sheets of underlying data on which computations are based.

52. Furnish for each year 1918-1930, both inclusive, analysis of "Sundry Items", included in "Estimated Cost of License Contract Services", classifying all items of expense aggregating or exceeding in any year $25,000.

53. Furnish statement as of January 1st of each year, 1918-1930, both inclusive, showing number of patents and patent applications of:

(a) Employees of A. T. & T.—Long Lines Department.
(b) Employees of A. T. & T.—not in Long Lines Department.
(c) Employees of Western Electric subdivided into

(1) Department of Bell Telephone Laboratories to January 1, 1925.
(2) In departments other than (1).

[fol. 5962] (d) Employees of Bell Telephone Laboratories, Inc.
(e) Employees of Licensee Companies.
(f) Persons outside Bell System.

If possible, subdivide number of patents and patent applications according to whether they cover:

(a) Receivers, transmitters and induction coils.
(b) Telephone apparatus for

(1) Long distance service exclusively.
(2) Toll and Long Distance Service.
(3) Exchange Service.

(c) Non-telephone apparatus.
(d) Machinery, tools, fixtures of Western Electric.
(e) Teletype Corporation, Electric Research Products.

54. Furnish statement for each year showing the savings, if any, to the A. T. & T. Company in Federal Income taxes resulting from its filing and paying taxes on the basis of Consolidated Income Tax Returns, and charging the subsidiary companies on the basis of separate returns.

55. Furnish statement for each year showing Federal Income tax paid by the A. T. & T. Company in addition to tax paid, or refund of tax paid, on basis of the return as filed, name of company, whose year's income was covered by such additional or refund payment, and reason for additional or refund payment. Did company named make additional payment or receive refund?

56. Furnish statement for each year 1918-1930, both inclusive, showing average number of stations in service of each company receiving license services, and in Chicago.

57. Furnish copies of "Long Period Forecast" and "Short Period Forecast" for Chicago made since 1909.

[fol. 5963] EXHIBIT X-420

Excerpts

Page 5:

"Volume 9, Page 151

On March 7, 1923, the Committee passed the following resolutions:

"The President reported that after study of the proposed provisional estimate work for 1923 of the Bell System, it was expected that the gross additions to plant of the Bell System in 1923 would total approximately $275,000,000, and the expenditures for purchases of operating properties approximately $10,000,000; and he recommended that the following advances for the year 1923, amounting to $152,875,000 for work under provisional estimates and for other requirements, be authorized; the funds, within the limits respectively stated below, to be advanced to each company or department of this Company at such times during 1923 and on such bases as the officers of this Company may determine:

"Whereupon, on motion, it was

"Resolved: that the recommendation of the President be [fol. 5964] approved, and that the President, Vice President Gifford and the Comptroller, or any one of those officers, be authorized to advance $152,875,000 during 1923 as set forth in said recommendation.

"On motion, it was

P. 6:

"Resolved: That the advances heretofore made to the various associated companies and to departments of this Company under the authority of this Committee's resolution of December 20, 1922, be charged to and treated as parts of the advances for work under the 1923 provisional estimates authorized by the foregoing resolution."'

The licensees and departments of American Telephone & Telegraph Company named in said resolution and the amounts for each licensee and for each department of American Telephone & Telegraph Company by said resolution and by resolutions of the committee authorizing increases in said amounts for the year 1923, are shown by C. R. 13 for that year—D. Exhibit 113.

Volume 9, Page 189

On February 6, 1924, the Committee passed the following resolutions:

[fol. 5965] "The President stated that study of the proposed provisional estimate work for 1924 of the Bell System shows expected gross additions during the year to plant of the Bell System totaling $351,216,000, and he recommended that the following advances for the year 1924, amounting to $231,751,000 for work under provisional estimates and for other requirements, be authorized; the funds, within the limits respectively stated below, to be advanced to each company, or to the designated department of this Company, at such times during 1924 as the officers of this Company may determine, on notes or open account at not less than 6% per annum.

P. 7:

"Whereupon, on motion, it was

"Resolved: That the recommendation of the President be approved, and that the President, the Executive Vice President and the Comptroller, or any one of those officers, be authorized to advance $231,751,000 during 1924 as set forth in said recommendation.

On motion, it was

"Resolved: That the advances heretofore made to the various associated companies and to departments of this

[fol. 5966] Company pursuant to this Committee's resolution of December 19, 1923, authorizing a total of $50,000,000 thereof for work under the 1924 provisional estimates, be charged to and treated as parts of the advances authorized by the preceding resolution to be made for such work and for other requirements."

Volume 9, Page 249

P. 8:

On February 4, 1925, the Committee passed the following resolutions:

"The President stated that study of the proposed provisional estimate work for 1925 of the Bell System shows expected gross additions during the year to plant of the Bell System totalling $353,344,000, and he recommended that the following advances for the year 1925, amounting to $223,749,000 for work under provisional estimates and for other requirements, be authorized; the funds, within the limits respectively stated below, to be advanced to each company, or to the designated department of this Company, at such times during 1925 as the officers of this Company [fol. 5967] may determine, on notes or open account at not less than 6% per annum.

"Whereupon, on motion, it was

"Resolved: That the recommendation of the President be approved, and that the President and the Comptroller, or either of them, be authorized to advance $223,749,000 during 1925 as set forth in said recommendation.

On motion, it was

"Resolved: That the advances heretofore made to the various associated companies and to departments of this Company pursuant to this Committee's resolution of December 17, 1924, authorizing a total of $50,000,000 thereof for work under the 1925 provisional estimates, be charged to and treated as parts of the advances authorized by the preceding resolution to be made for such work and for other requirements."

P. 9:

Volume 10, Page 19

On February 3, 1926, the Committee passed the following resolutions:

[fol. 5668] "The President stated that study of the provisional estimates for 1926 of the Bell System shows expected gross additions during the year to plant of the Bell System totalling $388,834,000, and he recommended that the following advances for the year 1926, amounting to $222,850,000, be authorized; the funds, within the limits respectively stated below, to be advanced to each company, or to the designated department of this Company, at such times during 1926 as the officers of this Company may determine, on notes or open account at not less than 6% per annum (i. e., at not less than 5.88% after the customary discount for payment of interest monthly on or before the 20th of the following month):

"Whereupon, on motion, it was

"Resolved: that the recommendation of the President be approved, and that the President, Vice President Houston and the Comptroller, or any one of those officers, be authorized to advance $222,850,000 during 1926 as set forth in said recommendation."

[fol. 5969] Pp. 10 and 11.

Volume 10, Page 74

On January 19, 1927, the Committee passed the following resolutions:

"The President stated that study of the provisional estimates for 1927 of the Bell System shows expected gross additions during the year to plant of the Bell System totaling $395,039,000, and he recommended that the following advances for the year 1927, amounting to $201,418,000, be authorized; the funds, within the limits respectively stated below, to be advanced to each company, or to the designated department of this Company, at such times during 1927 as the officers of this Company may determine, on notes or open account at not less than 6% per annum (i. e., at not less than 5.88% after the customary discount for payment of interest monthly on or before the 20th of the following month)."

[fol. 5970] P. 12:

Volume 10, Page 117

On January 18, 1928, the Committee passed the following resolutions:

"The President stated that the provisional estimate for 1928 of the Bell System shows expected gross additions during the year to plant of the Bell System amounting to $400,000,000, and he recommended that advances during 1928 totalling $180,000,000 be authorized; the advances to any company, or to the Long Lines Department of this Company, not to exceed the amounts respectively shown below, and within those limits to be made at such times during 1928 as the officers of this Company may determine; such advances to Associated Companies to be made on notes or open account at not less than 6% per annum (i. e., at not less than 5.88% after the customary discount for payment of interest monthly on or before the 20th of the following month)."

[fol. 5971] P. 13:

Volume 10, Page 163

On January 30, 1929, the Committee passed the following resolutions:

"The President stated that the provisional estimate of the Bell System for 1929 showed expected gross additions to plant during the year amounting to $558,000,000, and that the requirements of the Associated Companies and the Long Lines Department of this Company for cash advances during 1929, as stated in their respective estimates, are:

"He recommended:

P. 14:

"1. That advances to the Associated Companies and the Long Lines Department during 1929, not exceeding the total of $270,000,000, be authorized; that the advances to any one of those companies, or to the Long Lines Department, shall not exceed the amounts respectively stated above; that, within the limits stated, the advances be made at such times during 1929 as the officers might determine; and that, in the case of the Associated Companies, such advances be made on notes or open account, at a rate of interest not less than 6% per annum (i. e., at not less than [fol. 5972] 5.88% after the customary discount for payment of interest monthly on or before the 20th of the following month);

"2. That, in determining the total of such advances and the amount of such advances to any company or the Long Lines Department, there shall be deducted all repayments (except repayments through the issue of stock) during 1929 of any such advances and of any other advances heretofore authorized by this Committee or the Board of Directors;

"3. That in addition, the officers be authorized to make advances during 1929, on notes or open account, at said minimum rate of interest, to Western Electric Company, Incorporated, not to exceed a total of $36,000,000 outstanding at any time, and to other Bell System companies not to exceed a total of $4,000,000 outstanding at any time; such advances to be repaid on or before December 31, 1929.

"Whereupon, on motion, it was

[fol. 5973] P. 15:

"Resolved: that the recommendations of the President be approved, and that the President, Vice President Cooper and the Comptroller, and any one of those officers, be authorized to make said advances from time to time during 1929.

On motion, it was

Resolved: that the advances heretofore made to the various associated companies and to the Long Lines Department of this Company pursuant to this Committee's resolution of December 19, 1928, authorizing a total of $25,000,000 thereof for work under the 1929 provisional estimates, be charged to and treated as part of the advances authorized by the preceding resolution."

[fol. 5974] P. 17:

Volume 10, Page 262

On January 14, 1931, the Committee passed the following resolutions:

"The President stated that the provisional estimate of the Bell System for 1931 shows expected gross construction during the year amounting to $468,000,000, and that the requirements of the several companies and the Long Lines Department of this Company for cash advances during 1931, as stated in their respective estimates, are: "He recommended:

P. 18:

"1. That the net advances to the foregoing companies and to the Long Lines Department of this Company during 1931 not exceeding the total of $169,388,000 be authorized; that the net advances to any one of those companies or to the Long Lines Department shall not exceed the amounts respectively stated above; that, within the limits stated, the advances be made at such times during 1931 as the officers might determine; and that such advances, other than those to the Long Lines Department, be made on notes or open account at a rate of interest not less than 6% per annum (i. e., at not less than 5.88% after [fol. 5975] the customary discount for payment of interest monthly on or before the 20th of the following month);

"2. That in addition, the officers be authorized to make advances during 1931, on notes or open account, at said minimum rate of interest, to Bell System companies not to exceed a total of $5,000,000 outstanding at any time; such advances to be repaid on or before December 31, 1931.

Whereupon, on motion, it was

"Resolved: that the recommendations of the President be approved, and that the President, Vice President Cooper and the Comptroller, and any one of those officers, be authorized to make said advances from time to time during 1931.

"On motion, it was

"Resolved: that the advances heretofore made to the various associated companies and to the Long Lines Department of this Company pursuant to this Committee's resolution of December 17, 1930, authorizing a total of $20,000,000 thereof for work under the 1931 provisional estimates, be charged to and treated as part of the advances [fol. 5976] authorized by the preceding resolution."

[fol. 5977]

EXHIBIT D-20

Analysis of the Cost of Sales of Telephone Apparatus to Bell Customers, 1916 to 1930, Inclusive

(Dollars in Thousands)

Year	Current cost of sales before interest and expenses	Additions to employees' benefit fund	Additional depreciation of plant	Expenses						
				Development	Merchandising	General	Federal taxes	Interest received	Total cost	Year
1916	$19,563	.....	.....	$1,174	$275	$1,546	$15	$(196)	$22,377	1916
1917	30,821	.....	.....	1,579	278	1,864	104	(236)	34,410	1917
1918	29,119	.....	.....	1,617	441	1,840	271	(325)	32,963	1918
1919	27,644	.....	.....	2,131	906	2,583	167	(359)	33,072	1919
1920	44,544	.....	.....	2,981	1,140	2,094	223	(485)	50,497	1920
1921	72,199	.....	.....	4,530	960	2,499	267	(708)	79,747	1921
1922	86,007	.....	.....	4,277	1,172	3,287	358	(662)	94,439	1922
1923	91,150	.....	.....	4,923	1,664	5,319	571	(106)	103,521	1923
1924	110,889	$2,000	$1,563	8,966	1,920	6,013	2,443	(270)	133,524	1924
1925	92,978	2,881	1,696	6,754	1,989	6,154	2,125	(1,125)	113,452	1925
1926	94,093	3,064	1,532	8,996	9,450	3,311	2,908	(638)	122,716	1926
1927	91,499	2,803	993	10,754	9,620	3,528	1,695	(641)	120,251	1927
1928	98,618	208	1,346	7,864	11,278	2,782	1,061	(577)	122,580	1928
1929	143,199	.....	.....	8,142	13,896	2,980	540	(720)	168,037	1929
1930	157,822	.....	.....	11,308	13,065	3,391	717	(129)	186,174	1930
Total	1,190,145	10,956	7,130	85,996	68,054	49,191	13,465	(7,177)	1,417,760	

[fol. 5978]

EXHIBIT D-21

Analysis of the Cost of Sales of Lead Covered Cable to Bell Customers, 1916 to 1930, Inclusive

(Dollars in Thousands)

Year	Current cost of sales before interest and expenses	Additions to employees' benefit fund	Additional depreciation of plant	Expenses				Interest received	Total cost	Year
				Development	Merchandising	General	Federal taxes			
1916	$15,321	.....	.....	$53	$38	$85	$19	$(27)	$15,489	1916
1917	22,732	.....	.....	83	(12)	67	88	(65)	22,893	1917
1918	9,564	.....	.....	56	106	47	14	(49)	9,738	1918
1919	6,709	.....	.....	89	15	50	72	(47)	6,888	1919
1920	14,950	.....	.....	249	17	95	51	(52)	15,310	1920
1921	10,628	.....	.....	232	(43)	72	18	(38)	10,869	1921
1922	15,513	.....	.....	526	(35)	98	65	(57)	16,110	1922
1923	21,860	.....	.....	361	187	158	169	(7)	22,728	1923
1924	32,408	.....	.....	255	206	187	118	19	33,193	1924
1925	36,106	$293	$270	213	233	200	388	(64)	37,639	1925
1926	40,068	263	382	411	645	249	267	(36)	42,219	1926
1927	31,764	266	653	599	829	154	470	(45)	34,690	1927
1928	38,591	21	485	1,008	498	182	379	(46)	41,118	1928
1929	56,399	.....	.....	768	639	213	597	(63)	58,553	1929
1930	51,031	.....	.....	936	603	198	380	(19)	53,129	1930
Total	403,644	843	1,790	5,839	3,926	2,025	3,095	(596)	420,566	

[fol. 5979]

EXHIBIT D-23

Exhibit G

Analysis of Cost of Sales of W. E. Manufactures to Non-Bell Customers, 1916 to 1930, Inclusive

(Dollars in Thousands)

Year	Current cost of sales before interest and expenses	Additions to employees' benefit fund	Additional depreciation of plant	Expenses				Interest received	Total cost	Year
				Development	Merchandising	General	Federal taxes			
1916	$5,102	...	...	$244	$431	$441	$8	$(48)	$6,178	1916
1917	6,013	...	...	307	443	709	73	(13)	7,532	1917
1918	17,368	...	...	845	271	1,275	168	7	19,934	1918
1919	10,105	...	...	724	321	618	92	22	11,882	1919
1920	7,035	...	...	425	428	472	51	(36)	8,375	1920
1921	8,608	...	...	445	501	387	19	(51)	9,909	1921
1922	5,503	...	...	652	786	449	149	(40)	7,499	1922
1923	6,995	...	...	1,006	765	627	259	(39)	9,613	1923
1924	10,033	...	...	1,309	976	840	224	(30)	13,352	1924
1925	10,020	$442(U)	$202	2,777	1,015	1,050	280	(246)	15,540	1925
1926	10,921	233	188	1,030	946	376	92	(14)	13,772	1926
1927	8,262	192	137	1,024	693	407	196	(5)	10,906	1927
1928	13,487	13	169	1,439	892	951	227	(8)	17,170	1928
1929	23,811	...	...	2,114	1,415	1,211	759	(14)	29,296	1929
1930	15,531	...	...	1,772	1,167	1,108	180	(6)	19,752	1930
Total	158,794	880	696	16,113	11,050	10,921	2,777	(521)	200,710	

U Includes $227,000 Reserve for Graybar Electric Company, Inc., Pension Fund.

[fol. 5980] EXHIBIT D-107

Excerpt

* * * * * * *

P. 1, par. 2:

"The proposed program, which totals $19,000,000 for Gross Additions to Plant, includes approximately $700,000 for additional plant for the Long Lines Department in Chicago. The completion of this program during 1924 will require $7,636,000 beyond our estimated current resources, but will not require any new financing."

* * * * * * *

[fol. 5981] Excerpt

P. 2, par. (b):

While rate cases are pending in several exchanges outside Chicago, no provision was made in the exchange revenue for the changes which may result, as there is no indication at this time as to when a decision will be reached. In Chicago we are, as you know, contesting in the Federal Court a Commission Order reducing our exchange rates, and we have assumed that the present rates will continue throughout the period of the forecast.

(Here follows side folios 5982 to 5999.)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL BELL SYSTEM FINANCING AUTHORIZED AND ACTUAL RESULTS THEREUNDER
FOR TWELVE MONTHS ENDING DECEMBER 31, 1923

Name of Company Ref. - M.R.22	Authorized Net Financing Allotment for Year 1923 30a (a)	Authorized Gross Stocks A. T. & T. Co. Repaid 25c, 26c, 27c (b)	Loss Cr. Adv. made to A. T. Co. and Repaid 28, 29c (c)	Allotment from American Tele Actual Net Financing under Allotment 30c (a)	Prese for R der o 1923 Allo 3 (c)
New England Tel. and Tel. Co.	$ 2,344,000	$ 19,249,000	0	$ 16,345,000	-
Southern New England Tel. Co.	967,000	1,900,000	500,000	1,400,000	-
New York Telephone Company	39,521,000	55,068,200	0	55,068,200	-
Bell Tel. Co. of Pennsylvania	7,660,000	17,800,000	1,600,000	16,200,000	-
Chesapeake and Potomac Tel. Co.	3,475,000	13,355,700	9,230,704	a) 4,124,996	-
Southern Bell Tel. and Tel. Co.	1,670,000	17,240,000	15,146,238	2,093,762	-
Cumberland Tel. and Tel. Co.	2,700,000	9,474,600	8,199,600	1,275,000	-
Total Southern Group	4,370,000	26,714,600	23,345,838	3,368,762	-
Ohio Bell Telephone Company	1,857,000	7,393,000	5,539,392	1,735,608	-
Cincinnati and Suburban Bell Tel. Co.	361,000	361,000	0	361,000	-
Michigan State Telephone Company	8,077,000	29,250,000	21,198,700	7,651,300	-
Indiana Bell Telephone Company	933,000	385,196	60,196	925,000	-
Wisconsin Telephone Company	3,850,000	5,800,650	4,326,794	1,473,856	-
Illinois Bell Telephone Company	6,600,000	26,289,250	29,503,574	3,214,324*	-
Northwestern Bell Telephone Company	1,294,000*	9,355,174	7,936,758	2,291,684*	-
Southwestern Bell Telephone Company	30,796,000	44,211,853	22,525,000	21,686,853	-
Mountain States Tel. and Tel. Co.	1,275,000	1,250,000	3,900,698	2,650,698*	-

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

BELL SYSTEM FINANCING AUTHORIZED AND ACTUAL RESULTS THEREUNDER
FOR TWELVE MONTHS ENDING DECEMBER 31, 1923

D-113
p.1

Loss Cr Adv made to A T	Repaid 25c,26c,27c (b)	Loss Cr Adv made to A T Repaid 29c (c)	Actual Net Financing under Allotment 30d (d)	Present View for Remainder of Year 1923 Net Allotment 30d (e)	Total Present View for Year 1923 Net Allotment 30e (f)	Increase of Present View for Year Over Allotment 30f (g)	Change from Last Month's View for Year 30g (h)
			From American Telephone and Telegraph Company				
	19,249,000		[illegible]	-	$ 19,249,000	$ 9,900,000	$ 0
	1,900,000	500,000	1,400,000	-	1,400,000	433,000	500,000
	55,068,200	0	55,068,200	-	55,068,200	15,547,200	0
	17,800,000	1,600,000	16,200,000	-	16,200,000	3,540,000	3,914,000
	13,355,700	9,230,704	a) 4,124,996	-	4,124,996	649,996	90,000
	17,240,000	15,146,238	2,093,762	-	2,093,762	423,762	80,917*
	9,474,000	8,199,600	1,275,000	-	1,275,000	1,425,000*	116,061
	26,714,600	23,345,838	3,368,762	-	3,368,762	1,001,238*	35,144
	7,373,000	5,639,392	1,735,608	-	1,735,608	121,392*	78,419*
	361,000	0	361,000	-	361,000	0	0
	28,850,000	21,198,700	7,651,300	-	7,651,300	425,700*	0
	985,196	60,196	925,000	-	925,000	8,000*	0
	5,800,650	4,326,794	1,473,856	-	1,473,856	2,376,144*	9,856
	26,289,250	29,503,574	3,214,324*	-	3,214,324*	9,814,324*	1*
	4,905,174	7,196,858	2,291,684*	-	2,291,684*	997,684*	3,214
	44,211,853	22,525,000	21,686,853	-	21,686,853	9,1 9,147*	0
	1,850,000	3,900,698	2,650,698*	-	2,650,698*	3,925,698*	0

Northwestern Bell Telephone Company	1,294,000	[illegible]	[illegible]	[illegible]	
Southwestern Bell Telephone Company	30,796,000	44,211,853	22,525,000	21,686,853	-
Mountain States Tel. and Tel. Co.	1,275,000	1,250,000	3,900,698	2,650,698*	-
Pacific Tel. and Tel. Co.	22,131,000	31,100,000	0	31,100,000	-
Total Associated Companies	139,928,000	285,875,623	129,687,754	156,187,869	-
Central Union Telephone Company	0	50,000	0	50,000	-
American Tel. and Tel. Co. - General	2,855,000	2,694,264	0	2,694,264	-
American Tel. and Tel. Co. - Long Lines	9,159,000	13,813,413	0	13,813,413	-
Total	$151,942,000	$302,433,300	$129,687,754	$172,745,546	-

Date issued - Febr[illegible]

* Red Figures

(OVER)

14,000	[illegible]	[illegible]					
86,000	44,211,853	22,525,000	21,686,853	-	21,686,853	9,109,147*	0
75,000	1,250,000	3,900,698	2,650,698*	-	2,650,698*	3,925,698*	0
51,000	31,100,000	0	31,100,000	-	31,100,000	8,969,000	0
28,000	285,875,623	129,687,754	156,187,869	-	156,187,869	16,259,869	4,473,794
0	50,000	0	50,000	-	50,000	50,000	50,000
55,000	2,694,264	0	2,694,264	-	2,694,264	160,736*	105,736*
59,000	13,813,413	0	13,813,413	-	13,813,413	4,654,413	481,587*
42,000	$302,433,300	$129,687,754	$172,745,546	-	$172,745,546	$20,803,546	$3,936,471

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(OVER)

C. A. Heiss,
Comptroller

a) Chesapeake and Potomac Telephone Company (West Virginia)	$1,175,000		
" " " " " (Balto. City)	1,899,996		
" " " " " (New York)	600,000		
" " " " " (Virginia)	450,000		
	$4,124,996		
b) Authorized Net Financing Allotment for Year 1923			$151,942,000
Loans to A.T.&T. Co. included in Prov. Est. of the Northwestern Bell Tel. Co.			1,294,000
			153,236,000
Approved by Executive Committee			
Aug. 8, 1923 - Long Lines Department		$5,185,000	
" 8, " - Pacific Tel. and Tel. Co.		9,200,000	
Sept. 19, " - Bell Telephone Co. of Pennsylvania		8,400,000	
" 19, " - New England Tel. and Tel. Co.		5,750,000	
Dec. 19, " - New York Telephone Company		5,000,000	33,535,000
Transfers -			
Oct. 16, " - New York Telephone Company		8,000,000*	
" 16, " - Ohio Bell Telephone Company		1,000,000*	
" 16, " - Illinois Bell Telephone Company		6,000,000*	
" 16, " - Southwestern Bell Telephone Company		3,000,000*	0
Total Allotment Advances Authorized			186,771,000

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(*) Red Figure

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL BELL SYSTEM FINANCING AUTHORIZED AND ACTUAL RESULTS THEREI
FOR TWELVE MONTHS ENDING DECEMBER 31, 1923

Name of Company Ref - M R 23	Fianacing from Others Authorized Net Financing 35a (a)	Actual Gross Financing (Proceeds) 36c (b)	Present View for Remainder of Year 36d (c)	Total Present View for Year 36e (d)	Increase Present Vi for Year Over Authorize Financin 36f (e)
New England Tel. and Tel. Co.	$ 0	$ 846,387	$ -	$ 846,387	$ 846,3
Southern New England Tel. Co.	1,333,000	691,387	-	691,387	641,3
New York Telephone Company	12,041,000	9,496,990	-	9,496,990	2,544,0
Bell Tel. Co. of Pennsylvania.	34,650,000	40,748,720	-	40,748,720	6,098,7
Diamond State and Potomac Tel. Co. . . .	526,000	496,629	-	496,629	29,3
Southern Bell Tel. and Tel. Co.	23,000	42,000	-	42,000	19,0
Cumberland Tel. and Tel. Co.	18,000	19,300	-	19,300	1,3
Total Eastern Group.	41,000	61,300	-	61,300	20,3
Chesapeake Telephone Company.	37,000	313,595	-	313,595	276,5
Chesapeake and Suburban Bell Tel. Co. .	864,000	869,246	-	869,246	5,2
Michigan State Telephone Company	0	20,313	-	20,313	20,3
Indiana Bell Telephone Company.	7,000	25,000	-	25,000	18,0
Wisconsin Telephone Company	786,000	736,225	-	736,225	49,7
Illinois Bell Telephone Company.	a)34,579,000	46,145,260	-	46,145,260	11,566,2
Northwestern Bell Tel. Co.	22,000	245,938	-	245,938	223,9
Southwestern Bell Tel. Co.	4,000,000	5,468,678	-	5,468,678	1,468,6
Mountain States Tel. and Tel. Co. . . .	78,000	49,130	-	49,130	28,8

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL BELL SYSTEM FINANCING AUTHORIZED AND ACTUAL RESULTS THEREUNDER
FOR TWELVE MONTHS ENDING DECEMBER 31, 1923.

zed ing	Fianacing from Others: Actual Gross Financing (Proceeds) 36c (b)	Present View for Remainder of Year 36d (c)	Total Present View for Year 36e (d)	Increase of Present View for Year Over Authorized Financing 36f (e)	Grand Total Allotment and Other Financing: Total Authorized Net Financing for Year 1923 34a (f)	Total Present View for Year 1923 Net Financing 34e (g)	Total Inc. of Present View for Year Over Authorized Financing 34f (h)
0	$ 846,387	$ -	$ 846,387	$ 846,387	$ 9,349,000	$ 20,095,387	$ 10,746,387
,000	691,387	-	691,387	841,613*	8,300,000	2,091,387	208,613*
,000	9,496,990	-	9,496,990	2,544,010*	51,562,000	64,565,190	13,003,190
,000	40,748,720	-	40,748,720	6,098,720	42,310,000	56,946,720	14,636,720
,000	496,629	-	496,629	29,371*	4,000,000	4,620,636	620,636
,000	42,000	-	42,000	19,000	1,683,000	2,135,762	452,762
,000	19,300	-	19,300	1,300	2,718,000	1,294,300	1,423,700*
,000	61,300	-	61,300	20,300	4,401,000	3,430,062	970,938*
,000	313,595	-	313,595	276,595	1,914,000	2,049,191	135,191
,000	869,246	-	869,246	5,246	1,215,000	1,220,246	5,246
0	20,313	-	20,313	20,313	8,077,000	7,671,613	405,387*
,000	25,000	-	25,000	18,000	940,000	950,000	10,000
,000	736,225	-	736,225	49,775*	4,636,000	2,210,081	2,425,919*
,000	46,145,260	-	46,145,260	11,566,260	a)41,179,000	b)42,930,936	1,751,936
,000	245,938	-	245,938	223,938	1,272,000*	2,035,745*	763,745*
,000	5,468,678	-	5,468,678	1,468,678	34,796,000	27,155,531	7,340,469*
,000	49,130	-	49,130	28,870*	1,353,000	2,601,568*	3,954,568*

Southwestern Bell Tel. Co.	4,000,000	5,468,678	-	5,468,678	1,468,678
Mountain States Tel. and Tel. Co. . . .	78,000	49,130	-	49,130	28,870*
Pacific Tel. and Tel. Co.	0	91,516	-	91,516	91,516
Total Associated Companies	a)88,964,000	106,306,314	-	106,306,314	17,342,314
Central Union Telephone Company.	0	0	-	0	0
American Tel. and Tel. Co. - General . .	-	-	-	-	-
American Tel. and Tel. Co. - Long Lines.	-	-	-	-	-
Total	a)$88,964,000	$106,306,314	$ -	$106,306,314	$17,342,314

Date Issued - February 26, 1924

* Red Figures

(OVER)

00,000	5,468,678	-	5,468,678	1,468,678	34,796,000	27,155,531	763,745* 7,640,469*
78,000	49,130	-	49,130	28,870*	1,353,000	2,601,568*	3,954,568*
0	91,516	-	91,516	91,516	22,131,000	31,191,516	9,060,516
54,000	106,306,314	-	106,306,314	17,342,314	a)228,891,000	b)262,491,183	33,600,183
0	0	-	0	0	0	50,000	50,000
-	-	-			2,855,000	2,694,264	160,736*
-	-	-		-	9,159,000	13,815,413	4,656,413
4,000	$106,306,314	$ -	$106,306,314	$17,342,314	a)$240,905,000	b)$279,050,860	$38,145,860

(OVER)

C. A. Heiss,
Comptroller.

5984

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a) Includes $15,530,000 account of payment by Illinois Bell Tel.Co. of Indebtedness to Central Union Telephone Company.

b) Includes $15,530,179 covering notes paid by Illinois Bell Tel.Co. to Central Union Tel.Co.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL ADVANCES AUTHORIZED FOR 1924 AND PAYMENTS THEREUNDER FOR TWELVE MONTHS ENDING DECEMBER 31, 1924.

	Total Authorized (a)	Advances Authorized by Executive Committee: Net Advances Thereunder (b)	% Advanced (c)	Balance Available (d)	Transfers (Vote Dec 3,1924) (e)	Final Distribut (f)
New England Tel. and Tel. Co.	$ 26,016,000	$ 25,600,000	98.4	$ 416,000	416,000*	$ 25,600,
Southern New England Tel. Co.	1,500,000	1,500,000	-	300*	300	1,500,
New York Telephone Company	70,250,000	71,902,080	-	1,652,080*	1,652,080	71,902,
Bell Tel. Co. of Penna.	39,257,000	29,400,000	74.9	9,857,000	9,857,000*	29,400,
Chesapeake and Potomac Tel. Co.	8,234,000	c) 8,400,000	-	166,000*	166,000	8,400,
Southern Bell Tel. and Tel. Co.	3,589,000	3,645,000	-	56,000*	56,000	3,645,
Cumberland Tel. and Tel. Co.	8,464,000	8,520,000	-	56,000*	56,000	8,520,
Total Southern Group	12,053,000	12,165,000	-	112,000*	112,000	12,165,
Chio Bell Telephone Company	4,582,000	5,700,000	-	1,118,000*	1,118,000	5,700,
Cincinnati and Suburban Bell Tel. Co.	567,000	567,300	-	300*	300	567,
Michigan Bell Telephone Company	16,450,000	15,194,535	92.4	1,255,465	1,255,465*	15,194,
Indiana Bell Telephone Company	1,915,000	1,690,000	88.3	225,000	225,000*	1,890,
Wisconsin Telephone Company	3,225,000	3,500,000	-	275,000*	275,000	3,500,
Illinois Bell Telephone Company	10,080,000	10,771,018	-	691,018*	691,018	10,771,
Northwestern Bell Telephone Company	0	0	0	0	0	
Southwestern Bell Telephone Company	10,000,000	8,200,578	82.0	1,799,422	1,799,422*	8,200,
Mountain States Tel. and Tel. Co.	775,000	0	0	775,000	775,000*	
Pacific Tel. and Tel. Co.	37,320,000	35,762,500	95.8	1,557,500	1,557,500*	35,762,
Total	242,224,000	230,353,311	95.1	11,870,689	11,870,689*	230,353,
A. T. and T. Co., General	2,716,000	2,138,049	78.7	577,951	577,951*	2,138,
A. T. and T. Co., Long Lines	14,311,000	15,729,507	-	1,418,507*	1,418,507	15,729,
Unused Balance					11,030,133	11,030,
Total	$259,251,000	$248,220,867	95.7	$11,030,133	$ 0	$259,251,

TOTAL NET ADVANCES BY MONTHS (b - g).

January	$14,574,888	May	$14,586,749
February	16,121,753	June	31,200,906
March	22,398,261	July	22,223,918
April	14,848,531	August	12,827,586

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EGRAPH COMPANY.

D PAYMENTS THEREUNDER FOR
MBER 31, 1924.

utive Committee

lance ilable (d)	Transfers (Vote Dec 3,1924) (e)	Final Distribution (f)	Net Advances to A.T.& T.Co. (g)	Proceeds from Sale of Securities to Public Retained by Asso Cos. (h)	Total Allotments (f - g + h) (i)
416,000	416,000*	$ 25,600,000	$	a)$ 2,919,400	$ 28,519,400
300*	300	1,500,300			1,500,300
652,080*	1,652,080	71,902,080			71,902,080
857,000	9,857,000*	29,400,000		b) 7,538,329	36,938,329
166,000*	166,000	8,400,000			8,400,000
56,000*	56,000	3,645,000			3,645,000
56,000*	56,000	8,520,000			8,520,000
112,000*	112,000	12,165,000			12,165,000
118,000*	1,118,000	5,700,000			5,700,000
300*	300	567,300			567,300
255,465	1,255,465*	15,194,535			15,194,535
225,000	225,000*	1,690,000			1,690,000
275,000*	275,000	3,500,000			3,500,000
691,018*	691,018	10,771,018			10,771,018
0	0	0			0
799,422	1,799,422*	8,200,578	77,790		d) 77,790*
775,000	775,000*	0			e) 8,200,578
557,500	1,557,500*	35,762,500	174,302		174,302*
870,689	11,870,689*	230,353,311			f)35,762,500
577,951	577,951*	2,138,049	252,092	10,457,729	240,558,948
418,507*	1,418,507	15,729,507			2,138,049
	11,030,133	11,030,133			15,729,507
030,133	$ 0	$259,251,000	$252,092	$10,457,729	0
					$258,426,504

NTHS (b - g)

. . . .	$14,586,749	September	$29,888,185
. . . .	31,200,906	October	17,239,729
. . . .	22,223,918	November	13,291,239
. . . .	12,827,586	December	38,767,030

TOTAL NET ADVANCES BY MONTHS (b - g)

January	$14,574,888	May	$14,586,749
February	16,121,753	June	31,200,906
March	22,398,261	July	22,223,918
April	14,848,531	August	12,827,586

Sep
Oct
Nov
Dec

Date issued - February 10, 1925.

* Red Figures

(OVER)

TOTAL NET ADVANCES BY MONTHS (b - g)

74,888	May			September	
21,753	June	$14,586,749		October	$29,888,185
98,261	July	31,200,906		November	17,239,729
48,531	August	22,223,918		December	13,291,239
		12,827,586			38,767,030

C. A. Heiss,
Comptroller.

(OVER)

5986

18909

a) Receipts from sale of stock — $ 6,919,400
Remitted to A. T. and T. Co. — 4,000,000
— $ 2,919,400

b) Receipts from sale of Preferred Stock(Incl.$5,843,729 in Dec.1923 — 19,638,329
Remitted to American Tel.and Tel.Co. (Incl.$1,600,000 in Dec.1923 — 12,100,000
— $ 7,538,329

c) Chesapeake and Potomac Tel. Co. of West Virginia — $ 1,500,000
" " " " " " Virginia — 1,725,000
" " " " " " Baltimore City — 4,150,000
" " " " " " (New York) — 1,025,000
— $ 8,400,000

d) Amount provided in Provisional Estimate — $ 1,032,000
Amount provided and not forwarded to A. T. and T. Co. — 954,210
Net Amount remitted to American Tel. and Tel. Co. — 77,790

e) Excludes $45,041,666 received February 7, 1924 from Southwestern B.T.Co., proceeds from $50,000,000 Bond Issue -

Notes Paid	$20,874,761	
Loans Paid	600,000	
Loans on Open Account	23,566,905	$45,041,666

f) Excludes $3,225,337 received from Pacific Tel. and Tel.Co., proceeds from 36,861 shares of Preferred Stock sold to Public -
Notes Paid — $ 3,225,337

This copy for
Mr. Green.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL ADVANCES AUTHORIZED FOR 1925 AND PAYMENTS THEREUNDER FOR TWELVE MONTHS ENDING DECEMBER 31, 1925

	Advances Authorized by Executive Committee					
	Total Authorized (a)	Net Advances Thereunder (b)	Per Cent Advanced (c)	Balance Available (d)	Transfers (Vote Dec 2,1925) (e)	Fina Distrib (f)
New England Tel. and Tel. Co.	$ 24,362,000	$ 17,950,000	73.7	$ 6,412,000	$ 6,412,000*	$ 17,9
Southern New England Tel. Co.	700,000	800,300	-	100,300*	100,300	8(
New York Telephone Company	49,367,000	41,657,000	64.4	7,710,000	7,710,000*	41,6
Bell Tel. Co. of Pennsylvania	22,777,000	22,400,000	98.3	377,000	377,000*	22,4(
Ches. and Pot. Tel. Co.	6,475,000	c) 7,082,324	-	607,324*	607,324	7,0
Southern Bell Tel. and Tel. Co.	4,791,000	7,629,745	-	2,838,745*	2,838,745	7,6
Cumberland Tel. and Tel. Co.	7,463,000	8,054,646	-	591,646*	591,646	8,0
Total Southern Group	12,254,000	15,684,391	-	3,430,391*	3,430,391	15,6
Ohio Bell Telephone Company	8,954,000	7,900,000	88.2	1,054,000	1,054,000*	7,9(
Cinn. and Subn. Bell Tel. Co.	908,000	907,700	100.0	300	300*	9(
Michigan Bell Tel. Co.	11,525,000	13,075,000	-	1,550,000*	1,550,000	13,0
Wisconsin Telephone Company	3,183,000	2,300,000	72.3	883,000	883,000*	2,3(
Illinois Bell Tel. Co.	15,327,000	15,364,266	-	37,266*	37,266	15,3
Northwestern Bell Tel. Co.	d)30,307,000	27,600,000	91.1	2,707,000	2,707,000*	27,6(
Southwestern Bell Tel. Co.	14,300,000	12,962,309	90.6	1,337,691	1,337,691*	12,9(
Mountain States Tel. and Tel. Co.	350,000	0	0	350,000	350,000*	
Pacific Tel. and Tel. Co.	31,599,000	34,900,000	-	3,301,000*	3,301,000	34,9(
Total	232,388,000	220,583,290	94.9	11,804,710	11,804,710*	220,5
A.T. and T. Co. - General	2,163,000	2,512,460	-	349,460*	349,460	2,5
" " " " - Long Lines	11,848,000	9,425,614	79.6	2,422,386	2,422,386*	9,4
Contingencies	7,000,000	0		7,000,000	7,000,000*	
Unused Balance					20,877,636	20,8
Total	$253,399,000	$232,521,364	91.8	$20,877,636	0	$253,3

TOTAL NET ADVANCES BY MONTHS

January	$18,083,102	May	$ 9,638,036
February	33,987,464	June	32,596,388
March	23,873,562	July	11,636,276
April	12,342,681	August	6,634,957

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL ADVANCES AUTHORIZED FOR 1925 AND PAYMENTS THEREUNDER FOR TWELVE MONTHS ENDING DECEMBER 31, 1925

Advances Authorized by Executive Committee							
Net Advances Thereunder (b)	Per Cent Advanced (c)	Balance Available (d)	Transfers (Vote Dec 2,1925) (e)	Final Distribution (f)	Net Advances to A.T.& T. Co. (g)	Proceeds from Sale of Securities to Public Retained by Assoc Cos. (h)	Total Allotments (b - g + h) (i)
$ 17,950,000	73.7	$ 6,412,000	$ 6,412,000*	$ 17,950,000		a) $3,067,150	$ 21,017,150
800,300	-	100,300*	100,300	800,300			800,300
41,657,000	64.4	7,710,000	7,710,000*	41,657,000			41,657,000
22,400,000	98.3	377,000	377,000*	22,400,000	b)		22,400,000
c) 7,082,324	-	607,324*	607,324	7,082,324			7,082,324
7,629,745	-	2,838,745*	2,838,745	7,629,745			7,629,745
8,054,646	-	591,646*	591,646	8,054,646			80,054,646
15,684,391	-	3,430,391*	3,430,391	15,684,391			15,684,391
7,900,000	88.2	1,054,000	1,054,000*	7,900,000			7,900,000
907,700	100.0	300	300*	907,700			907,700
13,075,000	-	1,550,000*	1,550,000	13,075,000			13,075,000
2,300,000	72.3	883,000	883,000*	2,300,000			2,300,000
15,364,266	-	37,266*	37,266	15,364,266			15,364,266
27,600,000	91.1	2,707,000	2,707,000*	27,600,000			27,600,000
12,962,309	90.6	1,337,691	1,337,691*	12,962,309			12,962,309
0	0	350,000	350,000*	0			0
34,900,000	-	3,301,000*	3,301,000	34,900,000	e)		34,900,000
220,583,290	94.9	11,804,710	11,804,710*	220,583,290		3,067,150	223,650,440
2,512,460	-	349,460*	349,460	2,512,460			2,512,460
9,425,614	79.6	2,422,386	2,422,386*	9,425,614			9,425,614
0		7,000,000	7,000,000*	0			0
			20,877,636	20,877,636			
$232,521,364	91.8	$20,877,636	0	$253,399,000		$3,067,150	$235,588,514

TOTAL NET ADVANCES BY MONTHS

May	$ 9,638,036	September	$25,895,147
June	32,596,388	October	12,559,937
July	11,636,276	November	6,460,055
August	6,634,957	December	38,833,759

TOTAL NET ADVANCES BY MONTHS

January	$18,083,102	May	$ 9,638,036
February	33,937,464	June	32,596,388
March	23,873,562	July	11,636,276
April	12,342,681	August	6,634,957

(For notes see Sheet No. 2)

Date issued - February 10, 1926.

* Red Figures.

TOTAL NET ADVANCES BY MONTHS

May	$ 9,638,036	September	$25,895,147
June	32,596,388	October	12,559,937
July	11,636,276	November	6,460,055
August	6,634,957	December	38,833,759

(For notes see Sheet No. 2)

C. A. Heiss,
Comptroller.

a) Receipts from Sale of Stock		$10,912,850
Remitted to American Tel. and Tel. Co.		7,845,700
		$ 3,067,150
b) Excludes $48,500,000 received Oct. 1, 1925 from Bell Tel. Co. of Penna. proceeds from $50,000,000 Bond Issue -		
Notes Paid	$32,300,000	
Loan on Open Account	16,200,000	$48,500,000
c) Ches. and Pot. Tel. Co. of Baltimore City		$ 2,925,000
" " " " " " Virginia		1,125,000
" " " " " " West Virginia.		2,200,000
" " " " " (New York)		832,324
		$ 7,082,324
d) Authorization by Ex. Com. January 20, 1925 to be advanced in connection with the redemption on February 2, 1925 of First Mortgage 7% Bonds not to exceed.		$31,000,000
Amount not required for redemption of Bonds.		1,350,000
Net amount authorized by Ex. Com. vote January 20,1925		29,650,000
Authorized by Ex. Com.vote February 4, 1925 for other requirements.		657,000
Total amount authorized to be advanced the Northwestern Bell Tel. Co.		$30,307,000
e) Excludes $3,701,300 received in March, 1925 from the Pacific Tel. and Tel. Co. proceeds from 37,013 shares of Preferred Stock sold to public -		
Notes paid		$ 3,701,300

This Copy for
Mr. Green

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL ADVANCES AUTHORIZED FOR 1926 AND PAYMENTS THEREUNDER FO TWELVE MONTHS ENDING DECEMBER 31, 1926

	Advances Authorized By Executive Committee				Net Advances to A.T.&T.Co. (e)	Proceeds from Sale of Securities To Public Retained by Asso. Cos. (f)
	Total Authorized (a)	Net Advances Thereunder (b)	Per Cent Advanced (c)	Balance Available (d)		
New England Tel. and Tel. Co.	$ 19,117,000	$ 11,750,000	61.46	$ 7,367,000	$ a)	$ 229,946
Southern New England Tel. Co.	233,000	0	0	233,000	416,200	
New York Telephone Company	35,100,000	33,350,000	95.01	1,750,000		
Bell Tel. Co. of Pennsylvania	15,758,000	13,000,000	82.50	2,758,000		
Del. and Atl. Tel. and Tel. Co.	800,000	550,000	68.75	250,000		
Ches. and Pot. Tel. Co.	7,575,000 b)	5,801,730	76.59	1,773,270		
Southern Bell Tel.and Tel.Co.	22,102,000	23,655,531	-	c) 1,553,531*		
Ohio Bell Tel. Co.	9,861,000 d)	11,231,000	-	c) 1,370,000*		
Michigan Bell Tel. Co.	14,000,000	12,850,000	91.79	1,150,000		
Wisconsin Telephone Company	2,553,000	750,000	29.38	1,803,000		
Illinois Bell Tel. Co.	15,612,000	10,800,000	69.18	4,812,000		
Northwestern Bell Tel. Co.	1,876,000	0	0	1,876,000	e) 763,667	
Southwestern Bell Tel. Co.	22,700,000	18,362,353	80.89	4,337,647		
Mountain States Tel.and Tel.Co.	325,000	0	0	325,000	154,000	
Pacific Tel. and Tel. Co.	24,940,000	20,500,000	82.20	4,440,000		
Total	192,552,000	162,600,614	84.45	29,951,386	1,333,867	229,946
A.T. and T.Co. - General	2,131,000	1,515,886	71.13	615,114		
A.T. and T.Co. - Long Lines	20,667,000	20,968,008	-	c) 301,008*		
Contingencies	7,500,000	0	0	c) 7,500,000		
Total	f)$222,850,000	$185,084,508	83.06	$37,765,492	$1,333,867	$229,946

TOTAL NET ADVANCE BY MONTHS

January	$ 6,563,375	May	$ [illegible]	September	$ 18,654,265

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL ADVANCES AUTHORIZED FOR 1926 AND PAYMENTS THEREUNDER FOR TWELVE MONTHS ENDING DECEMBER 31, 1926

	Advances Authorized By Executive Committee						
	Total Authorized (a)	Net Advances Thereunder (b)	Per Cent Advanced (c)	Balance Available (d)	Net Advances to A.T.&T.Co. (e)	Proceeds from Sale of Securities To Public Retained by Asso. Cos. (f)	Total Allotments (b-e+f) (g)
nd Tel. Co. .	$ 19,117,000	$ 11,750,000	61.46	$ 7,367,000	$ a)	$ 229,946	$ 11,979,946
nd Tel. Co. .	233,000	0	0	233,000	416,200		416,200*
Company . .	35,100,000	33,350,000	95.01	1,750,000			33,350,000
ennsylvania .	15,758,000	13,000,000	82.50	2,758,000			13,000,000
and Tel. Co.	800,000	550,000	68.75	250,000			550,000
. Co.	7,575,000 b)	5,801,730	76.59	1,773,270			5,801,730
and Tel.Co. .	22,102,000	23,655,531	-	c) 1,553,531*			23,655,531
. . . . .	9,861,000 d)	11,231,000	-	e) 1,370,000*			11,231,000
Co.	14,000,000	12,850,000	91.79	1,150,000			12,850,000
e Company . .	2,553,000	750,000	29.38	1,803,000			750,000
Co.	15,612,000	10,800,000	69.18	4,812,000			10,800,000
Tel. Co. . .	1,876,000	0	0	1,876,000	e) 763,667		763,667*
Tel. Co. . .	22,700,000	18,362,353	80.89	4,337,647			18,362,353
L.and Tel.Co.	325,000	0	0	325,000	154,000		154,000*
el. Co. . . .	24,940,000	20,500,000	82.20	4,440,000			20,500,000
. . . . .	192,552,000	162,600,614	84.45	29,951,386	1,333,867	229,946	161,496,693
neral . . .	2,131,000	1,515,886	71.13	615,114			1,515,886
ng Lines . .	20,667,000	20,968,008	-	c) 301,008*			20,968,008
. . . . .	7,500,000	0	0	c) 7,500,000			
. . . . .	f)$222,850,000	$185,084,508	83.06	$37,765,492	$1,333,867	$229,946	$183,980,587

TOTAL NET ADVANCE BY MONTHS

TOTAL NET ADVANCE BY MONTHS

January	$ 6,563,375	May	$ 7,783,473 –	September	$ 18,654,265
February	2,594,341	June	30,096,823	October	11,380,804
March	26,772,280	July	20,362,840	November	9,653,860
April	5,919,482	August	4,666,269	December	40,636,696

(See Sheet No. 2 for Notes)

Date issued - February 9, 1927.

C. A. Heis

C

* Red figures.

TOTAL NET ADVANCE BY MONTHS

563,375	May	$ 7,783,473	September	$ 18,654,265
594,341	June	30,096,823	October	11,380,804
772,280	July	20,362,840	November	9,653,860
919,482	August	4,666,269	December	40,636,696

(See Sheet No. 2 for Notes)

C. A. Heiss,

Comptroller.

5990

a) Excludes $36,000,000 received May 26, 1926 from New England Tel. and Tel. Co. proceeds from $40,000,000 Bond Issue:

Notes Paid	$27,150,000
Endorsed Pacific Notes Purchased	9,450,000
	$36,600,000

b) Chesapeake and Potomac Tel. Co. of Baltimore City $ 2,450,000
" " " " " " Virginia 732,202
" " " " " " West Virginia 744,528
" " " " " " (New York) 1,875,000
$ 5,801,730

c) Overdrawals of authorized allotments approved by President Gifford, January 19, 1927, as chargeable to contingent item of $7,500,000:

Contingencies		$ 7,500,000
Overdrawals-		
Southern Bell Tel. and Tel. Co.	$1,553,531	
Ohio Bell Telephone Company	1,370,000	
American Tel. and Tel. Co. - Long Lines	301,008	3,224,559
Contingencies not used		$ 4,275,441

d) Does not include $5,000,000 for stock purchased June 30, 1926 authorized by Executive Committee May 5, 1926. The proceeds were used to retire Cuyahega Tel. Co. and U.S. Tel. Co. bonds called July 1, 1926.

e) Excludes proceeds from sale of Preferred Stock remitted to American Tel. and Tel. Co. $ 4,406,333

f) Voted February 3, 1926 and September 15, 1926.

This copy for
Mr. Uhrig.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL ADVANCES AUTHORIZED FOR 1927 AND PAYMENTS THEREUNDER FOR TWELVE MONTHS ENDING DECEMBER 31, 1927

	Advances Authorized by Executive Committee			
	Total Authorized	Net Advances Thereunder	Per Cent Advanced	Balance Available
New England Tel. and Tel. Co.	$ 6,204,000	$ 1,500,000	24.18	$ 4,704,000
Southern New England Tel. Co.	a) 4,134,000	4,000,000	96.76	134,000
New York Telephone Co.	b) 34,018,000	26,736,685	78.60	7,281,315
New Jersey Bell Tel. Co.	b) 5,644,000	4,325,000	76.63	1,319,000
Bell Tel. Co. of Pennsylvania	a) 8,829,000	6,605,000	74.81	2,224,000
Ches. and Pot. Tel. Co. (New York)	x	1,225,000	x	x
" " " " " of B. C.	x	1,450,000	x	x
" " " " " " Va.	x	650,000	x	x
" " " " " " W. Va.	x	775,000	x	x
Total (Ches. and Pot.)	6,175,000	4,100,000	66.40	2,075,000
Southern Bell Tel. and Tel. Co.	16,210,000	12,169,886	75.08	4,040,114
Ohio Bell Telephone Company	a) 8,436,000	7,935,304	94.04	500,696
Michigan Bell Telephone Company	19,300,000	15,660,000	81.14	3,640,000
Indiana Bell Telephone Company	580,000	0	0	580,000
Wisconsin Telephone Company	2,776,000	1,900,000	68.44	876,000
Illinois Bell Telephone Company	18,153,000	12,167,168	67.03	5,985,832
Northwestern Bell Tel. Co.	540,000	750,000	x	210,000*
Southwestern Bell Tel. Co.	21,100,000	15,670,480	74.27	5,429,520
Mountain States Tel. and Tel. Co.	a) 2,300,000	1,404,000	61.04	896,000
Pacific Tel. and Tel. Co.	20,532,000	15,800,000	76.95	c) 4,732,000
Total	174,931,000	130,723,523	74.73	44,207,477
A. T. and T. Co. - Long Lines	a) 28,056,000	27,282,752	97.24	773,248
A. T. and T. Co. - General	1,881,000	1,287,481	68.45	593,519
Contingencies	7,500,000			7,500,000
Unallocated Transfer of Allotment	a) 10,950,000*	x	x	10,950,000*
Total	d) $201,418,000	$159,293,956	79.09	$42,124,244

TOTAL NET ADVANCES BY MONTHS

January	$10,127,628	May	$ 7,438,792
February	1,991,861	June	23,763,316
March	21,221,214	July	13,611,248
April	4,847,270	August	2,865,077
		September	
		October	
		November	
		December	

a) Includes additional amounts authorized by Executive Committee October 5, 1927 as follows:
Southern New England Telephone Co. $[illegible]

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL ADVANCES AUTHORIZED FOR 1927 AND PAYMENTS THEREUNDER FOR TWELVE MONTHS ENDING DECEMBER 31, 1927

Advances Authorized by Executive Committee

		Total Authorized	Net Advances Thereunder	Per Cent Advanced	Balance Available	Net Advances to A. T. & T. Co.	Total Allotments
Co.		$ 6,204,000	$ 1,500,000	24.18	$ 4,704,000	$	$ 1,500,000
Co.	a)	4,134,000	4,000,000	96.76	134,000		4,000,000
	b)	34,018,000	26,736,685	78.60	7,281,315		26,736,685
nia	b)	5,644,000	4,325,000	76.63	1,319,000		4,325,000
ew York)	a)	8,829,000	6,605,000	74.81	2,224,000		6,605,000
B. C.		x	1,225,000	x	x		1,225,000
Va.		x	1,450,000	x	x		1,450,000
W. Va.		x	650,000	x	x		650,000
)		x	775,000	x	x		775,000
Co.		6,175,000	4,100,000	66.40	2,075,000		4,100,000
y		16,210,000	12,169,886	75.08	4,040,114		12,169,886
mpany	a)	8,436,000	7,935,304	94.04	500,696		7,935,304
pany		19,300,000	15,660,000	81.14	3,640,000		15,660,000
y		580,000	0	0	580,000	200,000	200,000*
mpany		2,776,000	1,900,000	68.44	876,000		1,900,000
		18,153,000	12,167,168	67.03	5,985,832		12,167,168
		540,000	750,000	x	210,000*		750,000
el. Co.		21,100,000	15,670,480	74.27	5,429,520		15,670,480
	a)	2,300,000	1,404,000	61.04	896,000		1,404,000
		20,532,000	15,800,000	76.95	c) 4,732,000		15,800,000
		174,931,000	130,723,523	74.73	44,207,477	200,000	130,523,523
nes	a)	28,056,000	27,282,752	97.24	773,248		27,282,752
		1,881,000	1,287,481	68.45	593,519		1,287,481
		7,500,000			7,500,000		
lotment	a)	10,950,000*	x	x	10,950,000*		
	d)	$201,418,000	$159,293,756	79.09	$42,124,244	200,000	$159,093,756

TOTAL NET ADVANCES BY MONTHS

$10,127,628	May	$ 7,438,792	September $19,567,289
1,991,861	June	23,763,316	October 11,228,308
21,221,214	July	13,611,248	November 6,422,369
4,847,270	August	2,865,077	December 36,009,384

a) Includes additional amounts authorized by Executive Committee October 5, 1927 as follows:
Southern New England Telephone Company $3,000,000

April	21,221,214	July	[illegible]	October	
	4,847,270	August	13,611,248	November	
			2,865,077	December	

a) Includes additional amounts authorized by Executive Committee October 5, 1927 as follows:

Southern New England Telephone Company	
Bell Telephone Company of Pennsylvania	$3,000,000
Ohio Bell Telephone Company	1,200,000
Mountain States Tel. and Tel. Co.	2,800,000
American Tel. and Tel. Co., Long Lines Department	1,000,000
	2,950,000
	$10,950,000

the foregoing in lieu of $10,950,000 of the advances authorized by resolution January 19, made to others than the above named.

b) Reflects the transfer of $5,000,000 from the authorized allotment of the New York Telephone to that of the New Jersey Bell Telephone Company as voted by the Executive Committee Octo

c) Does not reflect proceeds received by Pacific Tel. and Tel. Co. from Common Stock sold to F and remitted to American Tel. and Tel. Co. - $9,147,600.

d) Voted January 19, 1927 and October 5, 1927.

Date issued - February 10, 1928.

* Red Figures.

C. A. C

21,221,214	July	[illegible]	October [illegible]
4,847,270	August	13,611,248	November 11,228,308
		2,865,077	December 6,422,369
			36,009,384

Includes additional amounts authorized by Executive Committee October 5, 1927 as follows:

Southern New England Telephone Company	$3,000,000
Bell Telephone Company of Pennsylvania	1,200,000
Ohio Bell Telephone Company	2,800,000
Mountain States Tel. and Tel. Co.	1,000,000
American Tel. and Tel. Co., Long Lines Department	2,950,000
	$10,950,000

the foregoing in lieu of $10,950,000 of the advances authorized by resolution January 19, 1927
made to others than the above named.
leflects the transfer of $5,000,000 from the authorized allotment of the New York Telephone Company
to that of the New Jersey Bell Telephone Company as voted by the Executive Committee October 5, 1927.
oes not reflect proceeds received by Pacific Tel. and Tel. Co. from Common Stock sold to Public
and remitted to American Tel. and Tel. Co. - $9,147,600.
oted January 19, 1927 and October 5, 1927.

928.

C. A. Heiss,
Comptroller.

5992

18909

This copy for
Mr. Uhrig.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL ADVANCES AUTHORIZED FOR 1928 AND PAYMENTS THEREUNDER FOR YEAR ENDING DECEMBER 31, 1928

	Total Authorized	Advanced (Net) to Dec.31,1928	Per Cent Advanced	Balance Not Used
New England Tel. and Tel. Co.	$ 5,151,000	$ 667,200	12.95	$ 4,483,800
Southern New England Tel. Co. a)	3,000,000	2,500,000	83.33	500,000
New York Telephone Company	30,604,000	27,701,145	90.51	2,902,855
New Jersey Bell Telephone Company	10,126,000	10,100,000	99.74	26,000
Bell Tel. Co. of Pa.	11,444,000	7,322,469	63.99	4,121,531
Ches. and Pot. Tel. Co. (New York).	x	100,000*	x	x
" " " " " of B.C.	x	700,000	x	x
" " " " " Virginia	x	350,000	x	x
" " " " " West Va.	x	1,325,000	x	x
Total Ches. and Pot. Group	3,950,000	2,275,000	57.59	1,675,000
Southern Bell. Tel. and Tel. Co.	14,376,000	14,139,848	98.36	236,152
Ohio Bell Telephone Company b)	8,628,000	7,118,089	82.50	1,509,911
Michigan Bell Telephone Company	17,500,000	17,390,000	99.37	110,000
Indiana Bell Telephone Company b)	550,000	477,868	86.89	72,132
Wisconsin Telephone Company	1,882,000	1,136,153	60.37	745,847
Illinois Bell Telephone Company	19,400,000	12,715,632	65.54	6,684,368
Northwestern Bell Tel. Co.	2,545,000	0	0	2,545,000
Southwestern Bell Tel. Co.	20,200,000	14,131,270	69.96	6,068,730
Mountain States Tel. and Tel. Co.	7,000,000	6,642,114	94.89	357,886
Pacific Tel. and Tel. Co.	17,769,000	16,200,000	91.17	1,569,000
A. T. and T. Co. - Long Lines b)	40,108,000	39,311,195	98.01	796,805
Unallocated Reduction in Total Allotment b)	31,233,000*	-	-	31,233,000*
Total a)	$183,000,000	$179,827,983	98.27	$ 3,172,017

TOTAL NET ADVANCES BY MONTHS

January	$ 7,503,308	May	$8,545,000	September	$29,474,962
February	231,911*	June	29,817,393	October	8,175,000
March	16,250,411	July	11,611,153	November	10,507,848
April	10,550,000	August	4,042,200	December	43,582,619

For Notes, see Sheet No. 2.

Date issued - January 23, 1929.

C. A. Heiss,
Comptroller.

* Red Figures.

5058M

a) Authorized by Executive Committee as follows:

January 18,1928 - Advances to Associated Companies and Long Lines Department not to exceed in the aggregate	$180,000,000
November 7,1928 - Advances to the Southern New England Tel.Co. in addition to the advances authorized January 18,1928	3,000,000
Total	$183,000,000

b) Includes additional amounts voted Nov. 7, 1928 to be made from unused portions of advances authorized other companies January 18, 1928:

Ohio Bell Telephone Company	$ 2,500,000
Indiana Bell Tel. Co.	450,000
Long Lines Department	11,200,000
Unallocated reduction in total allotment	$14,150,000*

NOTE: This statement does not reflect -

(1) Net cash payments for purchase of stock (subscriptions):

Cinn. and Subn. Bell Tel. Co.	$ 1,089,250
Ohio Bell Telephone Company	985,619
Southwestern Bell Tel. Co.	2,502,080
	$ 4,576,949

(2) Proceeds from sale of Preferred Stock of Tri-State Tel. and Tel. Co. to public remitted to A. T. and T. Co. by Northwestern Bell Tel. Co. $ 2,045,138

(3) Proceeds from sale of Southern New England Tel. Co. Stock to public remitted to A. T. and T. Co. and applied in payment of prior year indebtedness $ 3,662,072

(*) Red figures.

This Copy for
Mr. C. A. Nixon

CR 13
Sheet 1
D-113
P. 14

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL ADVANCES AUTHORIZED FOR 1929 AND PAYMENTS THEREUNDER FOR TWELVE MONTHS ENDING DECEMBER 31, 1929

	a) Total Authorized	Advanced (Net) to Dec.31,1929	Per Cent Advanced	Authorized Exceeds Advanced
New England Tel. and Tel. Co.	$ 11,727,000	$11,750,000	100.20	b) $ 23,000*
Southern New England Tel. Co.	7,100,000	6,900,000	97.18	200,000
New York Telephone Company.	48,702,000	47,500,000	97.53	1,202,000
New Jersey Bell Tel. Co.	13,023,000	12,500,000	95.98	523,000
Bell Tel. Co. of Pennsylvania	18,580,000	15,500,000	83.42	3,080,000
Ches. and Pot. Tel. Co.	x	c) 2,975,000	x	x
Ches. and Pot. Tel. Co. of Balto. City.	x	1,425,000	x	x
Ches. and Pot. Tel. Co. of Virginia	x	2,150,000	x	x
Ches. and Pot. Tel. Co. of West Va.	x	1,550,000	x	x
Total Ches. and Pot. Group	8,425,000	8,100,000	96.14	325,000
Southern Bell Tel. and Tel. Co.	14,767,000	d) 0	0	14,767,000
Ohio Bell Tel. Co.	17,342,000	17,500,000	100.91	b) 158,000*
Michigan Bell Tel. Co.	16,400,000	16,650,000	101.52	b) 250,000*
Indiana Bell Tel. Co.	1,474,000	1,250,050	84.81	223,950
Wisconsin Tel. Co.	6,724,000	5,825,000	86.63	899,000
Illinois Bell Tel. Co.	15,081,000	9,649,900	63.99	5,431,100
Northwestern Bell Tel. Co.	6,931,000	6,500,000	93.78	431,000
Southwestern Bell Tel. Co.	21,400,000	17,150,000	80.14	4,250,000
Mountain States Tel. and Tel. Co.	8,276,000	8,250,000	99.69	26,000
Pacific Tel. and Tel. Co.	36,604,000	35,900,000	98.08	704,000
American T. and T. Co., Long Lines.	74,338,000	74,426,586	100.12	b) 88,586*
Unallocated Reduction in Total Allotment	20,994,000*	-	-	20,994,000*
Total Associated Companies and Long Lines Department	$305,900,000	$295,351,536	96.55	$10,548,464
Western Electric Company, Inc.	e) $	x $ 16,499,000	x $	x

TOTAL NET ADVANCES BY MONTHS (EXCEPT WESTERN ELECTRIC CO., INC.)

Jan.	$13,822,920	Apr.	$13,800,000	July	$22,025,000	Oct.	$20,900,000
Feb.	7,553,915	May.	12,475,000	Aug.	9,799,900	Nov.	7,700,134
Mar.	32,999,962	June	55,398,117	Sept.	43,599,952	Dec.	55,276,636

Date issued - January 25, 1930.

C. A. Heiss,
Comptroller.

(*) Red figures

5995

a) Executive Committee votes on January 30, 1929, September 4, 1929, October 30, 1929 and December 4, 1929, authorized:

Advances to Associated Companies and the Long Lines Department of the amounts specified for each, the total for all companies not to exceed	$300,900,000
Advances to any company in excess of the amount specifically authorized for that company, the total for all companies not to exceed	5,000,000
Grand Total	$305,900,000

b) Advances in excess of amounts specifically authorized, the total for all not to exceed $5,000,000 (See Note a)):

New England Tel. and Tel. Co.	$ 23,000
Ohio Bell Telephone Company	158,000
Michigan Bell Telephone Company	250,000
Long Lines Department	88,586
	$ 519,586

c) Excludes payment for New England Tel. and Tel. Co. bonds . . $ 396,120

d) Excludes:

Advances made during 1929, repaid	$ 10,299,366
Repurchase of Michigan Bell notes	6,150,000
	$ 16,449,366

Disposition of proceeds from Southern Bell bond issue, November 1, 1929:

Repayment of advances made during 1929	$ 10,299,866
Repayment of advances made in prior years	9,423,490
Purchase of Michigan Bell notes	11,900,000
Retained by Southern Bell Company	29,977
	$ 31,653,333

e) Loaned . . . . . $ 66,000,000
Paid 49,501,000

Net. . . . . $ 16,499,000

Loans authorized by Executive Committee Votes dated January 30, 1929 and December 15, 1929. Not more than $50,000,000 is to be outstanding at one time.

This copy for
Mr. Uhrig.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL ADVANCES AUTHORIZED FOR 1930 AND PAYMENTS THEREUNDER FOR YEAR ENDING DECEMBER 31, 1930

	Total Authorized		Advanced (Net) to Dec.31,1930	Per Cent Advanced	Balance Authorized Unused
New England Tel. and Tel. Co.	$ 10,026,000		$ 9,467,900	94.43	$ 558,100
Southern New England Tel. Co.	1,800,000	b)	1,800,000	100.00	0
New York Telephone Company.	67,488,000		46,250,000	66.53	21,238,000
New Jersey Bell Tel. Co.	14,440,000		13,000,000	90.03	1,440,000
Bell Tel. Co. of Pennsylvania	22,144,000		17,525,000	79.14	4,619,000
Diamond State Telephone Company	571,000		495,000	86.69	76,000
Ches.and Pot.Tel.Co. (New York)	1,400,000		1,200,000	85.71	200,000
Ches.and Pot.Tel.Co. of B.C.	4,200,000		1,952,927	46.50	2,247,073
Ches.and Pot.Tel.Co. of Va.	4,700,000	c)	2,949,724	62.76	1,750,276
Ches.and Pot.Tel.Co. of W. Va.	2,900,000	d)	0	-	2,900,000
Southern Bell Te.and Tel.Co.	17,226,000	e)	3,000,000	17.41	14,228,000
Ohio Bell Telephone Company	14,211,000		11,400,000	80.22	2,811,000
Michigan Bell Telephone Company	19,200,000		14,622,614	76.16	4,577,386
Indiana Bell Telephone Company.	2,836,000		2,809,307	99.06	26,693
Wisconsin Telephone Company	8,525,000	b)	8,525,000	100.00	0
Illinois Bell Telephone Company	23,624,000	f)	0		23,624,000
Northwestern Bell Tel. Co.	24,477,739	b)	24,477,739	100.00	0
Southwestern Bell Tel. Co.	24,700,000		13,550,000	54.86	11,150,000
Mountain States Tel.and Tel. Co.	1,454,000		197,500	13.58	1,256,500
Pacific Tel. and Tel. Co.	31,676,000		7,040,320	22.23	24,635,680
American T.and T.Co.,Long Lines	94,359,000		82,742,875	87.69	11,616,125
Unallocated Reduction in Total Allotment	26,959,739*		-	-	26,959,739*
Total Associated Companies and Long Lines Department	a) $365,000,000		$263,005,906	72.06	$101,994,094
Western Electric Co., Inc.	g) 50,000,000		$ 0	-	$ 50,000,000

TOTAL ADVANCES BY MONTHS EXCEPT WESTERN ELECTRIC CO. INC. (H)

Jan.	$22,864,932	Apr.	$ 9,634,215	July.	$22,117,000	Oct. $ 8,716,427
Feb.	29,006,518	May.	17,924,765	Aug.	4,275,018	Nov. 11,338,662
Mar.	25,422,596	June	42,874,982	Sept.	30,971,906	Dec. 37,858,885

Date issued - January 20, 1931.

C. A. Heiss,
Comptroller.

* Red Figures.

5997

(a) Executive Committee vote dated January 29, 1930 as modified by votes of September 3, 1930 and December 3, 1930.

(b) Reflects net advances made under Executive Committee vote dated December 3, 1930 as follows:

Southern New England Telephone Company	$1,800,000
Wisconsin Telephone Company	206,000
Northwestern Bell Telephone Company	3,074,739
Total	$5,080,739

(c)

Advanced during year		$4,325,000
Repaid during year:		
From proceeds of Stock Issue September 30, 1930:		
Total proceeds	$4,800,000	
Applied to prior years' advances	3,474,724	
Applied to 1930 advances	$1,325,276	
Other repayments	50,000	1,375,276
Net advances under allotment vote		$2,949,724

(d) Does not reflect repayments in excess of advances made . . $ 75,000

(e) Excludes repurchase of endorsed notes of Michigan Bell Telephone Company $5,750,000

(f) Does not reflect amounts left with A.T. and T.Co. on open account (net) $9,171,185

(g) Authorized by Executive Committee vote dated January 15, 1930 -

Advanced during year	$32,000,000
Repaid during year	48,499,000
Repayments in excess of advances made	$16,499,000

Does not reflect special advance of $30,000,000 on September 30, 1930 in connection with purchase of Teletype Corporation common stock (Ex.Com.vote dated September 17, 1930.)

(h) Adjusted to reflect advances previously allocated to temporary vote providing for repayment on or before December 31, 1930, subsequently authorized by Executive Committee in its vote of December 3, 1930 (shown in (b) above); also adjusted to exclude amounts shown in (d) and (f) above, previously included as credits to allotment.

This Copy for
Mr. C. Uhrig

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

TOTAL ADVANCES AUTHORIZED FOR 1931 AND PAYMENTS THEREUNDER FOR YEAR 1931

	Total Authorized	Advanced (Net) to Dec.31,1931	Per Cent Advanced	Balance Authorized Unused
New England Tel. and Tel. Co.	$ 8,300,000	$ 8,300,000	100.00	$ 0
Southern New England Tel. Co.	4,900,000	4,200,000	85.71	700,000
New York Telephone Company	29,900,000	a) 28,800,000	96.32	1,100,000
New Jersey Bell Tel. Co.	12,765,000	11,552,897	90.50	1,212,103
Bell Tel. Co. of Pennsylvania.	12,378,000	7,275,000	58.77	5,103,000
Diamond State Telephone Company.	240,000	40,000	-	280,000
Ches. and Pot. Tel. Co.	725,000	a) 302,651	-	1,027,651
Ches.and Pot.Tel.Co. of Balt.City.	950,000	950,000	100.00	0
Ches.and Pot.Tel.Co. of Virginia	1,550,000	575,276	37.11	974,724
Ches.and Pot.Tel.Co. of West Va.	1,900,000	950,000	50.00	950,000
Southern Bell Tel. and Tel. Co.	3,903,000	1,700,000	-	5,603,000
Ohio Bell Telephone Company	4,564,000	a) 2,269,315	49.72	2,294,685
Michigan Bell Telephone Company.	8,400,000	1,150,000	13.69	7,250,000
Indiana Bell Telephone Company	2,341,000	1,954,982	83.51	386,018
Wisconsin Telephone Company.	5,566,000	2,400,000	43.12	3,166,000
Illinois Bell Telephone Company.	9,925,000	2,400,000	24.18	7,525,000
Northwestern Bell Tel. Co.	7,387,000	4,000,000	54.15	3,387,000
Southwestern Bell Tel. Co.	7,100,000	1,450,000	-	8,550,000
Mountain States Tel. and Tel.Co.	1,560,000	550,000	35.26	1,010,000
Pacific Tel. and Tel. Co.	5,525,000	1,498,000	-	7,023,000
American T.and T.Co., Long Lines	38,875,000	20,729,570	53.32	18,145,430
Eastern Tel.and Tel.Co. (Canada)	355,000	355,000	100.00	0
Transpacific Communication Co.,Ltd.	575,000	462,000	80.35	113,000
Authorized transfer of unused balances (b)	296,000	-	-	296,000
Total	c) $169,388,000	$93,883,389	55.43	$75,504,611

(a) Does not reflect advances made under special authorizations as follows:

New York Telephone Company	$ 68,800,000
Ches.and Pot.Tel.Co. (N.Y.)	2,000,000
Ohio Bell Telephone Company	29,630,685
Total	$100,430,685

(b) Authorized by Executive Committee December 16, 1931 $500,000
Allocated to:

New England Tel.and Tel.Co.	$241,000	
Eastern Tel.and Tel.Co. (Canada).	55,000	$296,000

(c) Authorized by Executive Committee January 14, 1931.

Note: Amounts shown in red represent payments in excess of advance made.

Date issued - January 30, 1932.

C. A. Heiss,
Comptroller.

[fol. 6000] DEPOSITION EXHIBIT No. 38

Excerpts

(Page 4, first 3 paragraphs:)

"The Advantages of Planning

"In order to meet the requirements of the telephone business, the Engineering Departments of the System are constantly developing new designs and changing present designs with the object of improving the quality of, or reducing the cost of telephone service. This means that the products that we are manufacturing are constantly undergoing development, with the result that we are continually confronted with changing manufacturing problems.

"The decisions reached by the various organizations of the Bell System to proceed with the introduction of the new and changed designs just referred to are based entirely on improved service, lower costs, or both; consequently, before any work on new developments can be done the Manufacturing Department must furnish firm estimates of the cost of one or any number of pieces of apparatus that may be required.

"This is made possible by our ability to plan a job in detail on paper and to make an accurate appraisal of the manufacturing costs before production is started. The cost established, selling prices can be determined, and a final decision made by the System as to the merits of any new development."

Exhibit A-32

Per Cent Condition of Station Apparatus Inspected at 1174 Subscribers' Stations
(Includes Per Cent Condition of Teletypewriters in Same Account)

Account 231

Subscribers' Telephone Equipment

Component parts	No. insp.	Good condition	Fair condition	Poor condition	Average %	Ratio of total	Composite
1—Transmitter	1065	976–92%	74–77%	15–62%	90.54	8.65	7.83
2—Receiver	1065	1002–94%	53–87%	10–79%	93.51	7.71	7.21
3—Pedestal & Base	962	811–90%	99–71%	52–52%	85.99	15.67	13.47
4—Hand Set	109	106–98%	1–95%	2–92%	97.06	4.37	4.24
5—Hand Set Mtg.	109	108–97%	0–90%	1–83%	96.88	1.68	1.63
6—Dial	299	278–92%	17–75%	4–58%	90.60	3.34	3.03
7—Rec. Cord	1174	1091–83%	47–50%	36–17%	79.65	1.51	1.20
8—Inst. Cord	1069	965–83%	49–50%	55–17%	78.10	3.17	2.48
9—Signal Case	1118	1084–96%	29–88%	5–80%	95.75	27.54	26.36
10—#7 Coin Coll.	461	435–96%	22–90%	4–84%	96.68	17.18	16.43
11—#50 Coin Coll.	141	131–95%	9–84%	1–73%	94.18	6.20	5.84
12—Sta. Protector	785	775–97%	7–90%	3–83%	96.89	2.98	2.89
Total Subscribers' Telephone Equipment Per Cent Condition						100.00	
Relation to Total Class					92.61	97.25	92.61 90.06

Teletypewriter Equipment

Type #	No. insp.	Good condition	Fair condition	Poor condition	Zero condition	Average %	Ratio of total	Composite
10	32				32	0.0	14.14	0.00
12	169			169		25.0	28.24	7.06
13	72		72			80.0	21.01	16.80
14	353	353				90.0	32.71	29.44
15	23	23				90.0	3.90	3.51
Total	649	376	72	169	32		100.00	
Total Teletypewriter Equipment Per Cent Condition								56.81
Relation to Total Class						56.81	2.75	1.56
Composite Per Cent Condition							100.00	91.62

[fols. 6002 & 6003]

EXHIBIT A-32

Per Cent Condition of Station Apparatus Inspected at the Warehouse and which had been Removed from Subscribers' Premises in Connection with the Station Movement in the Regular Course of Business

(Equivalent of 3538 Stations)

Account 231

Component parts	Good condition	Fair condition	Poor condition	Average %	Ratio of total	Composite
1—Transmitter	3124-92%	42-77%	40-62%	91.43	8.65	7.91
2—Receiver	2985-94%	94-87%	127-79%	93.20	7.71	7.19
3—Pedestal & Base	2815-90%	143-71%	121-52%	87.62	15.67	13.73
4—Hand Set	323-98%	6-95%	3-92%	97.89	4.37	4.28
5—Hand Set. Mtg.	326-97%	4-90%	2-83%	96.83	1.68	1.63
6—Dial	552-92%	2-75%	0-58%	91.94	3.34	3.07
7—Receiver Cords	3416-83%	56-50%	66-17%	81.25	1.51	1.23
8—Instrument Cords	3161-83%	121-50%	129-17%	79.33	3.17	2.51
9—Signal Case	3092-96%	98-88%	63-80%	95.52	27.54	26.29
10—#7 Coin Collectors	1698-96%	194-90%	51-84%	96.09	17.18	16.34
11—#50 Coin Collectors	72-95%	8-84%	8-73%	92.00	6.20	5.70
12—Protector	0-97%	0-90%	0-83%	City Av. 96.89	2.98	City Av. 2.89
Total					100.00	
Per Cent Condition						92.77

NOTE.—This inspection was made for the purpose of checking the results of the inspection made at subscribers' stations to determine whether the latter was representative.

[fol. 6004] IN UNITED STATES DISTRICT COURT

[Title omitted]

STIPULATION FOR TRANSCRIPT OF RECORD—Filed Oct. 24, 1933

It is hereby stipulated and agreed by and between the parties hereto, by their respective counsel, that, in addition to the transcript of record now in the Supreme Court of the United States in the case of Lindheimer, et al., v. Illinois Bell Telephone Company, No. 440, October Term, 1933, the following portions of the record shall constitute the transcript of record on the appeal to the Supreme Court of the United States by Plaintiff, the same as if directed by præcipe for record, and the following portions of the record shall be certified by the Clerk for said appeal:

1. Placita.

2. Petition for appeal filed by Illinois Bell Telephone Company in said cause on September 26, 1933.

3. Plaintiff's assignment of errors filed in said cause on September 26, 1933.

[fol. 6005] 4. Statement showing basis of jurisdiction of the Supreme Court (entitled "Jurisdictional Statement on Cross-Appeal"), filed by Illinois Bell Telephone Company on September 26, 1933.

5. Order allowing appeal of Illinois Bell Telephone Company entered in said cause on September 26, 1933.

6. Bond on Appeal filed by Illinois Bell Telephone Company on September 26, 1933, and approved on the same date.

7. Citation in said cause issued on September 26, 1933, together with proof of service thereof.

8. Notice to appellees given pursuant to Rule 12, paragraph 2, Rules of the Supreme Court of the United States, and proof of service thereof.

9. Stipulation for Additional and Supplemental Statement of Evidence, filed October 24, 1933.

10. Order approving Additional and Supplemental Statement of Evidence, entered October 24, 1933.

11. Additional and Supplemental Statement of Evidence, filed and approved October 24, 1933.

12. This Stipulation for Transcript of Record.

Charles M. Bracelen, William H. Thompson, Edward L. Blackman, Kenneth F. Burgess, Leslie N. Jones, Solicitors for Plaintiff. Otto Kerner, Attorney General of the State of Illinois; Benjamin F. Goldstein, Edmund D. Adcock, Geo. I. Haight, Wm. H. Sexton, Solicitors for Defendants.

[fol. 6006] Clerk's certificate to foregoing transcript omitted in printing.

[fols. 6007–6009] Citation in usual form showing service on Otto Kerner et al., filed September 28, 1933, omitted in printing.

[fol. 6010] IN SUPREME COURT OF THE UNITED STATES

STATEMENT OF POINTS UPON WHICH APPELLANT INTENDS TO RELY, MADE PURSUANT TO RULE 13 OF RULES OF THE SUPREME COURT OF THE UNITED STATES, AND DESIGNATION OF PARTS OF RECORD TO BE PRINTED.—Filed Oct. 25, 1933

Illinois Bell Telephone Company, appellant, states that the points upon which it intends to rely upon its appeal herein are as follows:

I. Valuation.

The statutory court undervalued the property of the plaintiff by a substantial amount in each of the years involved in the case. Such undervaluation is in large part of the result of the court's errors in the following respects:

[fol. 6011] A. The court undervalued plaintiff's physical property new by approximately 5% in 1930, 10% in 1931, and 15% in 1932, and in those years departed from the method which it had adopted in finding such values for the years 1923 to 1929, inclusive, in that it disregarded the prices for telephone apparatus current in the years 1930 to 1932, inclusive, and rejected for those years plaintiff's appraisal of its physical property new.

The court's action in this respect is not sustained by the evidence.

B. The amount found and deducted by the court in each year for existing depreciation in the property is approximately twice the amount shown by the evidence.

C. The amount found and allowed by the court in each year for the element of going value is approximately one-half of the amount shown by the evidence.

The foregoing points are covered by plaintiff's Assignments of Error Nos. 1 to 8, inclusive, upon which the plaintiff relies.

II. Operating Expenses

The statutory court disallowed substantial amounts of the plaintiff's reasonable and proper operating expenses in each of the years involved in the case, specifications whereof are as follows:

A. The court's allowance for the annual charge for depreciation is less in each year than the reasonable and proper amount shown by the evidence, such deficiency in the allowance in the several years ranging from approximately $1,100,000 to $2,100,000.

[fol. 6012] B. The amount found by the court and included in the plaintiff's reasonable operating expenses on account of the services rendered to the plaintiff by the American Telephone and Telegraph Company under the license contract is less in each year than the amount shown by the evidence, by sums ranging from approximately $200,000 to $630,000 in the several years, respectively.

C. The court, in determining the plaintiff's reasonable operating expenses for the period subsequent to November 1, 1930, deducted an amount equal to 10% of plaintiff's purchases from the Western Electric Company during that period attributable to maintenance and other expense accounts.

This action by the court is not sustained by the evidence.

The foregoing points are covered by plaintiff's Assignments of Error Nos. 9 to 16, inclusive, upon which the plaintiff relies.

III. Net Earnings

The statutory court's findings of the net earnings of plaintiff, under the rates charged and under the contested rates, are excessive by the amount of the operating expenses erroneously disallowed, as above set forth. Its findings of the rate per cent of such net earnings to the fair value of the property are likewise excessive, both by reason of the undervaluation of the property and the disallowance of operating expenses, as above set forth.

[fol. 6013] This point is covered by plaintiff's Assignments of Error Nos. 17 to 25 (except No. 21), inclusive, upon which the plaintiff relies.

IV. Fair Rate of Return

The statutory court erred in finding that the fair rate of return was 6½% for the year 1931 and 5½% for the year 1932. (Assignment of Error No. 21).

Appellant further states that the parts of the record which it thinks necessary for the consideration of the foregoing points are contained in the transcript of record heretofore returned and filed in this court upon the appeal herein of the defendants, and that the only additional parts of the record which it thinks necessary to be printed for the consideration of the court upon the present appeal are the following papers herein, namely:

1. Petition for Appeal filed herein by Illinois Bell Telephone Company, plaintiff, on September 26, 1933.
2. Plaintiff's Assignment of Errors filed herein on September 26, 1933.
3. Statement of Basis of Jurisdiction of the Supreme Court (entitled Jurisdictional Statement on Cross-Appeal) filed herein by plaintiff on September 26, 1933.
4. Order Allowing Appeal of Illinois Bell Telephone Company entered herein on September 26, 1933.
5. Bond on Appeal of Illinois Bell Telephone Company filed and approved on September 26, 1933.
6. Citation issued herein on September 26, 1933, together with proof of service thereof.
7. Notice pursuant to Rule 12, paragraph 2 of the Rules of the Supreme Court of the United States, and proof of service thereof.

[fol. 6014] 8. Stipulation for additional and supplemental statement of evidence, filed October 24, 1933.

9. Order approving additional and supplemental statement of evidence entered October 24, 1933.

10. Stipulation for transcript of record filed October 24, 1933.

11. Exhibits D-20, D-21 and D-23, as the same appear in the additional and supplemetnal statement of evidence herein.

Charles M. Bracelen, William H. Thompson, Edward L. Blackman, Kenneth F. Burgess, Solicitors for Appellants.

Service of the above and foregoing is acknowledged this 24th day of October, 1933.

Benjamin F. Goldstein, Otto Kerner, Attorney General; Wm. H. Sexton, Corp'n Counsel; Geo. I. Haight, Edmund D. Adcock, Solicitors for Appellees.

[fol. 6015] [File endorsement omitted.]

[fol. 6016] IN SUPREME COURT OF THE UNITED STATES

DESIGNATION OF ADDITIONAL PARTS OF RECORD TO BE PRINTED —Filed Oct. 25, 1933

Appellees state that the additional parts of the record which they think necessary to be printed for the consideration of the Court upon the present appeal is the balance of the additional and supplemental statement of evidence herein not designated by appellant.

Otto Kerner, Attorney General; Wm. H. Sexton, Corp'n Counsel; Benjamin F. Goldstein, Geo. I. Haight, Edmund D. Adcock, Solicitors for Appellees.

[fols. 6017 & 6018] Service of the above and foregoing is acknowledged this 24th day of October, 1933.

Charles M. Bracelen, William H. Thompson, Edward L. Blackman, Kenneth F. Burgess, Leslie N. Jones, Solicitors for Appellants.

[fol. 6019] [File endorsement omitted.]